Daily Report

Latin America

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Cuba

Assembly Leader Lezcano Comments on Helms-Burton Bill

PA0907121695 Havana PRENSA LATINA in Spanish 1844 GMT 8 Jul 95

[FBIS Translated Text] Havana, 8 Jul (PL) — A Cuban parliament leader today commented on a U.S. bill aimed at tightening the blockade against the island by saying: We will not go backward, nor will we yield anything.

Jorge Lezcano, chairman of the Cuban parliament's International Relations Commission, said that even if the bill is passed, the law will never be applied to the Caribbean nation because "no text is capable of imposing such conditions and demands on the Cuban people."

Lezcano participated last night in a public discussion of the bill being promoted by U.S. Senator Jesse Helms and Congressman Dan Burton to extend blockade measures applied against Cuba to other countries.

Lezcano explained that these meetings taking place throughout the country, an initiative of the National Assembly of the People's Government, have allowed the people to broadly analyze the issue, something that does not occur in the United States, where the bill is not known outside small circles.

Lezcano noted: People who could be negatively affected by approval of the law do not know about the bill.

According to the parliamentary leader, this is the first time a legal document has explicitly listed the annexationist aims of its authors, who "cynically want to dictate what type of democracy must be established in our country."

The workers of the Rene Arcay Cement Factory in Mariel Municipality, Havana Province, who hosted the meeting ratified their decision "to defend to the ultimate consequences" their ownership of their source of employment.

The workers recalled that the Helms-Burton bill calls for the return of property nationalized by the Cuban revolutionary government from North Americans and Cubans who later became U.S. citizens.

Mexico's PAN President Views Meeting With Castro

PA0807174795 Mexico City Radio Red Network in Spanish 0000 GMT 7 Jul 95

[From "The Night Monitor" newscast]

[FBIS Translated Text] We have a report on statements made in Cuba by Carlos Castillo Peraza, president of the National Action Party, who today concluded his first official visit to Havana, where he met with Cuban President Fidel Castro and other Cuban authorities.

With regard to his conversation last night with the Cuban president, Castillo said that both made an effort to understand each other's positions, which are not necessarily alike, but with the will to seeing how differences can produce common points of view, points of convergence in favor of all the countries of Latin America and the Caribbean.

I think that, for both of us, Castillo said, referring to himself and the Cuban president, this was the discovery of each other's true situation. We must travel on this road, putting emphasis on shared positions: the national will that exists in our countries to have continental integration and dignity in the face of the world.

The national PAN leader also said he spoke with the Cuban leader about how necessary it is for Cuba and for all of America for Mexico to successfully pull out of the economic crisis it is enduring.

During his visit to the Cuban capital, where he arrived Tuesday, Castillo met with Cuban Vice President Carlos Lage, Foreign Minister Roberto Robaina, and Economy and Planning Minister Jose Luis Rodriguez.

The Mexican leader also visited sites of scientific, tourist, and economic interest.

In our country, there has been criticism of this visit, especially from the Mexican left. Some have said it is surprising to see how the PAN leader, who belongs to a party that has criticized the single-party system in Cuba and the presence of Castro in power, has visited the island.

What took him there? The members of various sectors provide all sort of explanations. All this forms part of the polemics and commentaries that Castillo's visit to Cuba has drawn.

Alfredo Hondal Comments on Ciego de Avila Elections

FL1007203595 Havana Radio Rebelde Network in Spanish 1700 GMT 10 Jul 95

[From the "National Radio News"]

[FBIS Translated Text] Yesterday's election in Ciego de Avila was a resounding victory: 98.9 percent of the registered voters elected 652 delegates, half of whom were confirmed. Correspondent Fernando Sanchez has the details:

Alfredo Hondal, Politburo member and first secretary of the party in Ciego de Avila, commented to National

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Radio News on the election process and the second round of elections to be held in 13 districts.

[Begin Hondal recording] To me, the most notable thing — as I was telling you before — was the cheerful mood of the people everywhere. There was music playing, the people were happy. They got out and voted early: by 1500 (1900 GMT), over 96 percent of the people had voted. This shows exactly how the people feel, how much they want to express their support for the Revolution. I believe this is the most important thing. [end recording]

Panel Discusses Businessmen's Passivity

FL0607205695 Havana Radio Rebelde Network in Spanish 1600 GMT 4 Jul 95

["Straight Talk" program with guest Fernando Davalos and host Osvaldo Rodriguez]

[FBIS Translated Text] [Rodriguez] We need to reverse the passivity of Cuban businessmen. They should try harder to lower prices and increase production. In so doing, their companies and the sector's economy would improve. This is the issue Fernando Davalos has for us today. Fernando has just returned from Santiago de Cuba, where there was a big businessmen's meeting and the Caribbean Fair.

[Davalos] First, I would like to say that I entirely agree with what you just said. I especially agree after the experience of my trip to Santiago de Cuba.

[Rodriguez] Not only in Santiago de Cuba.

[Davalos] Yes, but I saw it very clearly in Santiago de Cuba. There was a businessmen's meeting and they were discussing economic issues that are crucial to their companies and to our integration in the Caribbean. The meeting was very important, but we saw little participation from Cuban businessmen. There were Cuban businessmen from several eastern provinces, as well as other provinces. By businessmen, I mean executives from our enterprises situated in the five eastern provinces. They were very passive, and this worries me.

[Rodriguez] Do you think they could have been suffering from stage fright?

[Davalos] Yes. No doubt there was stage fright. There was a panel of specialists from the Foreign Trade and Foreign Investment and Economic Cooperation Ministries. They were highly qualified. That was an opportunity for our executives and managers to ask questions.

[Rodriguez] Yes, it was a great opportunity for our businessmen. I do not think stage fright is an excuse.

[Davalos] Let me tell you: In three days, I counted only four questions. Two questions were from (Vilito Castellanos) — you know he is very concerned about problems with Cuba's economy. He is a true patriot and businessman and is trying to find methods through which to sell and offer more services, all for the good of Cuba. There was a comrade who asked a question on financial issues, and that was it. No one else. There were people like Octavio Castilla, a true expert in foreign investments, at the meeting. It was the right time to ask him at least ten questions. No one asked anything. Hernandez Guillen, vice foreign trade minister, was there. No one asked him any questions either. Does that mean our businessmen are timid? No they are not, because at the fair I saw them talking quite a lot.

[Rodriguez] Yes, in small groups.

[Davalos] Yes, in small groups after the meetings. The mentality of Cuban businessmen must change. Jesus Perez Othon, Light Industry vice minister, was saying... [pauses] The Light Industry Ministry, which does not receive the capital it needs to take off. The entire population is waiting for the Light Industry's products, but there will be no production until we can export. The key to solving this problem is to export. People must understand that we must go outside and sell, and that with the money obtained, we can buy the cotton we need for textile production. Money and raw materials do not rain from heaven like a wonderful fine dust, which according to the Bible, settles on the earth. That does not happen; we must go out there and fight! Cuban businessmen are too passive, not only those from the five eastern provinces who I saw in Santiago de Cuba, but all of them, or at least the majority.

[Rodriguez] I would say the majority because I know some who are aggressive and have great ideas. I wonder, were the ones you saw in Santiago de Cuba chosen correctly? Are they truly businessmen, or is it just a name?

[Davalos] We have changed things here. Today, there are two control systems. One is the planned economy. There are people here who wait for instructions before doing anything, even scratching their nose.

[Rodriguez] This issue is very sensitive because Cuba's future is based on our businesses. Davalos, you were talking about how passive our businessmen are. It would be good to talk about these businessmen and whether or not they are businessmen. Do you propose a change in mentality or changing the businessmen themselves? We all know it takes more than a good comrade, or someone who has made many sacrifices, to be a good businessman.

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[Davalos] I would dare not suggest something of that nature. We reporters also need to understand how our society is evolving, and must quickly participate in the change our society is experiencing, and begin to think and act accordingly. What we need is a change in attitude, not mentality. As I was saying before, there are two ways of regulating the economy here. One is a centralized economy, which responds to a preconceived plan; and the other is the opportunity that is being given to the enterprises, including the capacity to trade, import, and export directly.

[Rodriguez] Yes, this is growing; this second situation is developing.

[Davalos] Yes, it is growing on a case-by-case bases. What I mean is that it is not going to be implemented massively. It is going to be done with intelligence, rationally. The person in charge of an enterprise must change his attitude in accordance with the changes taking place in Cuba. In the past, we did not have foreign investments or foreign partners; now we do. In the past, we had a very beneficial agreement with the Soviet Union, and now we do not. We must therefore go out and fight, as they say. We must change our attitude in that sense, and our mentality as well. We must begin to learn the role played by costs, competition, the relationship between cost and quality, and everything else. We cannot sit around waiting for someone in charge to come and tell us to read a manual and apply what we have read. No, we must be much more active.

[Rodriguez] Davalos, we have been playing the role of devil's advocate. Now, I would like to place myself in the shoes of one of these men. For more than 30 years, we have been thinking and acting in a certain way, and now, all of a sudden, reality has changed so much. Do you think all mentalities change at the same rate?

[Davalos] Right from the start, I would like to point out that we will not resolve the problem with regrets and whining.

[Rodriguez, interrupting] [chuckles] Hey, thanks a lot!

[Davalos] I think that...

[Rodriguez, interrupting] Thanks a lot for that answer, on behalf of our listeners. I think many of them really liked your answer.

[Davalos] Yes, of course we must be practical because time is money. We cannot remain in the special period for an indefinite period of time, continuously justifying ourselves, and trying to find excuses for our own lack of efficiency. Cuba needs resources and to open its own path in the international trade market. We cannot continue to whine. We must quickly move forward, pragmatically and realistically, and without sacrificing our principles. There is no need to sacrifice our principles at all. Our enterprises have the capacity [pauses] ...they are being given the opportunity to resolve this situation.

[Rodriguez] You said something very interesting about not sacrificing our principles because there is no need to. However, there are some businessmen — the ones we have been talking about — who think we are becoming capitalists. What would you say to those people?

[Davalos] In the first place, they should listen to Fidel and Lage and find out what is going on. Everything that is being done is for the well-being of the population.

[Rodriguez] Therefore, it is socialism.

[Davalos] Yes, it is socialism. The goal of all of these changes ... [changes thought] Yes, we are going to have to bear with the fact that there will be differences because there will be differences. Unfortunately, there will be differences among people, but these differences are necessary.

[Rodriguez] There already are differences.

[Davalos] They are necessary; we must understand that. Egalitarianism has also harmed us very much.

[Rodriguez] Yes.

[Davalos] We must distinguish between the person who works harder, makes more sacrifices, and whose job is more beneficial to society, and to others. We must reward this; we cannot continue to have everyone receiving the identically. If you work harder than I do, and your work is more important than mine, well then, you deserve to live a little better than I do.

[Rodriguez] Davalos, you were talking about an interesting issue — you were referring to how we are creating socialism through certain mechanisms. There are those who wonder if market-type mechanisms — admitting the property concept — is still socialism.

[Davalos] Society's goal undoubtedly is social justice. This is socialism's classic idea. However, in Cuba's current situation, we have no recourse but to introduce and use market-type mechanisms. This does not mean that our economy is totally a market-type economy. Our economy is going to use this mechanism for its own benefit. We are going to use all of these things — prices, benefits, taxes, rentability, and all the rest of these categories, which are mercantile categories. Now then, we must see who is using this system. Who is using this system? Cuba and the Cuban people. We must associate with foreign businessmen. This was something that everyone was aware of, even before the Soviet

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Union ceased to exist. We saw this in 1982. That is why Decree-Law 50 came into existence in 1982 when no one could even dream that our partner could disappear. To advance, a country as small as Cuba needs relations in the economic and technological fields to advance.

[Rodriguez] However, in our relations with foreign investors and markets, some Cuban businessmen — to whom you have referred as being very passive — are more concerned about their own image than they are about their company's efficiency. They think more about certain things they need to live than they do about someone else. What would you say to these businessmen?

[Davalos] Yes, this could be one of the problems we have. We have discovered that we need an incentive system to move people to increase production. At the same time, I think cadres should be considered for the same system. However, this is not important today. Right now, there are more urgent matters — to begin with, the method for paying those incentives to Cuba's key sectors — for example, in the sugarcane sector, which is now being implemented, and the oilfield workers. These areas are vital to Cuba and involve our country's future. Everything else will later need to be modified because it is necessary for everyone to feel stimulated to produce more. They must be stimulated, not only morally, but also materially. No one doubts this; it is a socialist principle. People should be rewarded according to how much they work; it is a logical, rational principle. We must fight to achieve this. Of course, we cannot implement this system everywhere. I know that everyone feels they deserve a little foreign currency, even if it is just a little, but Cuba cannot implement this with everyone. Cuba does not have the resources — it must be done gradually, little by little. I think incentives should be offered to workers, producers, and to cadres and executives as well. I think executives have technological incentives. They have emotional and political incentives, and this is very valuable. Just look at any U.S. businessman from any capitalist company [pauses]... technological incentives are very important. That man feels directly involved with his company because he has support and gets great satisfaction from inventing new equipment, new procedures, or new organizational systems.

[Rodriguez] I think — from listening to you — that you believe executives should receive incentives because it is also a manner of resolving the problem of their being too passive.

[Davalos] I — again — would like to point out that it is not urgent.

[Rodriguez] Many thanks to Fernando Davalos for talking about the need to overcome passivity in business, thereby allowing us to advance even more rapidly in the new world. We are obliged to do this in view of our current reality. Without a doubt, the path moves toward socialism, even if we are forced to use market economy mechanisms. However, I have always said that economies do not have ideologies. The final results of implementing economic systems do have ideologies. Davalos, again, many thanks.

'Societies' To Address Economic Issues

FL0807003395 Havana Radio Reloj Network in Spanish 1409 GMT 7 Jul 95

[FBIS Translated Text] Five economic science societies [sociedades de ciencias economicas] will be established in Cuba on 20 July to cater [atender] to the professional interests of members of the National Association of Cuban Economists. Association President (Roberto Guerrier) has said that economic societies targeting marketing, logistics, economic philosophy [pensamiento economico], audit accounting, and the health sector will de formed. Referring to the role played by economists now, (Guerrier) pointed out that the association is currently working on modernizing Cuba's banking system. This will lead to higher levels of professionalism, as well as improve the level of operations and quality in those areas. (Guerrier) said that the association's specialists also cooperate with the Economy and Planning Ministry in realigning Cuba's economy and help in the search for a work and safety system [organizmo de trabajo y seguridad] amidst job reorganization in Cuba.

Dimas Ponders World Nuclear, Economic Competition

FL3006214495 Havana Radio Rebelde Network in Spanish 1155 GMT 30 Jun 95

[Commentary by Eduardo Dimas; from the "Doing Radio" program]

[FBIS Translated Text] I recently read an article that said that the 1991 Gulf War represented the beginning of the Third World War. The author, a U.S. intellectual, supports the theory that armed conflict is inevitable among today's three economic blocs for divvying up markets and spheres of influence. Other less apocalyptic observers point out that confrontations among blocs, led respectively by the United States, Japan, and Germany will not go beyond economic issues because while economic interests are great, no capitalist is willing to lose what he has in a war that would lead to the destruction of humanity and therefore, his own well-being. I think each theory is correct to some extent.

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Yes, it is difficult to believe that the capitalist world would put all the riches they possess in danger, but it is also true that the use of force continues to be an important element in international relations, and nuclear capacity is primarily concentrated in five countries — the permanent members of the UN Security Council and in other nations that have clandestinely developed nuclear capabilities. The remaining nations, although they are highly developed — such as Germany and Japan, Second and Third World powers — do not have nuclear weapons capability, and whether they like it or not, are at the mercy of those who do.

Today, we are witnessing various economic struggles between Japan and the United States over automobiles. The European Union is not immune to this situation; in its case, the problems are agricultural disputes with the other two. One cannot disregard the possibility that these situations could lead to even greater problems in the not-too-distant future. If you want an opinion, it seems to me that in the end, Japan will yield because it has a more dependent economy and far fewer natural resources. The most important thing, nonetheless, is that the United States has employed coercive mechanisms, such as increasing tariffs, to force Japan to give in. If these practices are successful, the United States will use them again, limited only by the degree of effect they will have on vital interests.

The Uruguay Round of the General Accord on Tariffs and Trade, which created the World Trade Organization, could serve as a good example of the difficulties the three economic poles face in reaching agreement about their economic interests. However, what could happen if the confrontation escalates and force becomes the only solution they can find at the moment? Perhaps that is why France decided to resume its nuclear testing program, which then gives other countries a reason to do the same. If new escalation of the nuclear race occurs, it is because all of them are convinced that confrontation is inevitable and they wish to strengthen their defenses, and, above all, their capacity to destroy so they are respected.

I personally get the impression that the Gulf War was the first sign of a New World Order: unipolarism. The subsequent conflicts in Somalia, Burundi, and Bosnia-Herzegovina have maintained the momentum in their presumed right to intervene in states' internal affairs, which is to say conscious violation of the principles of sovereignty and non-intervention in internal affairs.

I, therefore, would not venture to say that the Gulf War was the first step in the Third World War, or that World War Three is inevitable. But at the same time, it is difficult to determine exactly how far confrontation between the economic poles might go. It is, however, highly evident that the juncture at which we live today is more dangerous than at the time of the Cold War and the well known East-West conflict.

If you want another opinion, I do not believe there is reason for alarmist, apocalyptic positions, but this does not mean there is no reason to be concerned. I promise to return to this issue. We find ourselves in a changing world at the end of a convulsive century. I think it is worthwhile to give a vote of confidence to reason, although rationality has not always wrought improvement.

Nuclear Agency President on Juragua Plant

PA0907194895 Havana PRENSA LATINA in Spanish 2101 GMT 8 Jul 95

[By Angel Calcines]

[FBIS Translated Text] Havana, 8 Jul (PL) — The Juragua nuclear plant will never be put in operation if it fails to meet the safety requirements demanded from this type of installation, Daniel Codorniu, president of the Nuclear Agency, has said in Havana.

Codorniu, an official of the Cuban Science, Technology, and Environment Ministry, has said: "Before setting the plant in operation, it will be submitted to a rigid inspection by Cuban specialized agencies that would apply strict standards that take into consideration the International Atomic Energy Agency's [IAEA] recommendations." He has said: Cuba was one of the first countries to sign the nuclear safety convention last year. By this action, "Cuba pledges to report to the international community on the extent of fulfillment of worldwide recognized measures in this area."

During the graduation ceremony of 48 experts at the Higher Institute for Nuclear Science and Technology [ISCTN] in Havana, Codorniu lashed out at the "self-appointed emigrant nuclear experts who make the most imaginative assessments of risk in exchange for a plate of lentils, so to speak."

Referring to the campaign unleashed in Miami against the Cienfuegos plant, which has been paralyzed since 1992, he has said: "Some of these people have never been to Juragua. Consequently, many of their remarks are just blunders calculated to impress others."

According to Codorniu, a technical-economic feasibility study is being conducted to determine how much needs to be spent to complete and set in operation the first reactor. "The most reactionary sectors of the Cuban emigrants have resumed their old campaign against the nuclear program on the island. These sectors

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try to confuse the uninformed public by saying that because the Juragua reactors are Soviet made, they are similar to those at Chernobyl and, therefore, potentially dangerous," he has said.

After admitting that Chernobyl was "a widespread disaster," he said the nuclear reactors in the Cuban plant are of a different type, based on light water under pressure, a technology "which operates efficiently throughout the world." In addition, these reactors are markedly better than previous types and, in the case of Juragua, "improved technical and organizational techniques have been planned, to be implemented if the plant's construction continues, to incorporate more modern safety concepts," he has said.

Codorniu concluded that "the plant detractors are attempting to disregard the infrastructure and the qualified personnel the country has been training for more than 15 years to manage a serious and multifaceted nuclear program."

Addressing himself to the brand-new nuclear engineers, physicists, and chemists, Codorniu urged them to work "to make known the reality of this energy, its potential, and, of course, its limitations."

Since 1987, when it was founded, the ISCTN has graduated 434 professionals. It has outlined a master's degree plan that includes the availability and reliability of industrial systems, including those based on nuclear energy.

A few days ago, two experts, engineers Jesus Salomon Llanes and Jesus Rivero Oliva, and ISCTN Rector Edwin Pedrero received Venezuela's Order of the Great Marshall of Ayacucho University for their contribution to academic exchange between the two centers of higher learning.

Defends Juragua Plant Project

FL1007203995 Havana Radio Rebelde Network in Spanish 1700 GMT 10 Jul 95

[From the "National Radio News"]

[FBIS Translated Text] Dr. Daniel Codorniu Pujal, president of the Cuban nuclear agency, made the following statements about the Juragua nuclear plant's current situation in Cienfuegos:

[Begin Codorniu recording] Since 1992, when it was decided that construction of the Juragua nuclear plant be temporarily halted, our country has made great effort to find alternatives that would allow its completion under positive conditions. All of us who suffer frequent power outages in our homes or in our jobs are aware of the benefit of having at least one of those two reactors in operation. It would represent an additional 400 megawatts in our system. A technical, economic feasibility analysis — which has taken several months — is near completion. The analysis will determine how much investment is needed to complete and put the first reactor into operation. Once this is known, the conversations with companies that could provide the required capital would begin, as would the formation of corresponding economic associations.

Regarding this analysis and well aware of the importance the completion of the nuclear plant has for Cuba, the most reactionary sectors of Cuban immigrants in Miami have recommenced a campaign against Cuba's nuclear program, using their habitual yellow journalism to resume the odious prattle on the danger of a new Chernobyl in the Caribbean. They are trying to create hysteria about an imminent arrival of radioactive vapors over Florida. The clouds would be the result of a presumed accident in our — according to them — obsolete nuclear plant, operated by incompetent and irresponsible Creoles. [end recording]

The insidious antinuclear campaign against Cuba has received a true response: 48 new specialists, 17 with high-level degrees.

Minister Cited on Self-Employment, Other Issues

PA2906151195 Havana PRENSA LATINA in Spanish 1833 GMT 28 Jun 95

[By Ulises Canales]

[FBIS Translated Text] Havana, 26 Jun [date as received] (PL) — Expanding self-employment to various production and service sectors in Cuba may lead, in certain cases, to the emergence of new economic partnerships between individuals which extend beyond the framework of their families.

In exclusive remarks to PRENSA LATINA, Labor and Social Security Minister Salvador Valdes Mesa noted that in view of the magnitude of the occupations and professions recently authorized for self-employment, such as food services and others, we can expect the emergence of new methods that were once considered to be uncommon.

In response to a question about whether the payment of wages to people employed by private individuals will be acceptable within a predominantly statist and socialist economy, Valdes Mesa declined to expound on the issue, but he noted that in Cuba there are regulations that prohibit this.

Today, Valdes said, our self-employment law limits the exploitation of other people's work forces in ways that

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prevent the emergence of middlemen or parasites who profit or enrich themselves through the work of others.

"However, as a result of this expansion — he quickly added — we may have to consider the possibility that some of these people (self-employed) will organize or form economic partnerships to provide better services for which, logically, we would then have to examine the state's role and participation." [quotation marks as received]

Valdes Mesa's assertions were consistent with a speech delivered months ago by President Fidel Castro. At that time, the Cuban president said: "There must be an increase in the number of self-employed workers, opportunities for self-employment, and the development of certain small-scale handicraft productions; this must be done for various reasons."

Castro added: "We must carefully examine the prospects for the development of small- and medium-sized businesses, the state's role, and its participation in all of this."

In this regard, Valdes confirmed that an opening to new private employment positions in the service sector merely complements the state's efforts, although there is a great deal to be examined in terms of prospects for development and laws governing an eventual new labor organization and the logistics of private contracting of manpower.

"So far, nothing has been decided, studied, or predetermined. I simply believe that such conditions might emerge," stressed Valdes Mesa with obvious caution, while admitting that help from relatives is already permitted in food services.

While commenting further on self-employment, Valdes Mesa noted that in Cuba there have always been jobs in which people could work on their own, adding that in September 1993, when the decision was made to expand this, there were already some 46,600 self-employed individuals in approximately 75 professions.

There are approximately 170,000 independent workers, and it is expected that this figure will increase over the next few months, Valdes Mesa said, explaining that contrary to the initial idea of viewing this as a means of income for retirees and housewives, it is now understood as an alternate source of employment.

In 1994, Cuba's policy under which the work force was regulated to achieve greater economic efficiency created a surplus of about 93,000 workers, and by the end of the first quarter of 1995, another 17,000 workers were available. Therefore, Valdes Mesa explained, there is a need to provide alternative employment.

Valdes Mesa added that in September 1993 there was an increase in the number of occupations that complement the services the state provides to the people, but which, because of limitations and shortages engendered by the current crisis, it cannot guarantee.

Now, Valdes Mesa said, we regulate these occupations, especially attractive jobs, such as fast food sales, food services, car rentals (taxies), and others, and, in turn, we have created the possibility that a larger number of people, whether or not they are connected to state employment, can contribute to fulfilling some of our people's needs.

One topic on which there are a variety of opinions in Cuba is the ban, as of now, on self-employment among professionals. In statements to this reporter, Salvador Valdes remarked: "This is one phenomenon that is being studied thoroughly."

He added, "I believe that in due time, depending on how the economy and the latest measures adopted evolve, we will also have to make a decision on this matter, and I am certain that if we make a decision in the future, we will do it in such a way that will not be discriminatory toward professionals."

One possible law in this regard could be in the works, according to the minister's implicit admission of what experts in Cuba define as an "inverted pyramid" — referring to the fact that today university graduates with the highest salaries have lower purchasing power than laborers, technicians, or self-employed citizens.

Valdes also admitted there is a need to restructure wages as soon as possible, as well as a need to seek formulas that protect those self-employed workers who have no connections to the state sector from being denied social security, which he admitted is happening now.

Roundup of Economic Developments

FL0707183695

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 7 Jul 95.

Seven brigades of workers at the Port of Havana unloaded 8,500 tons of rice donated by the Vietnamese in a record five days from the Vietnamese flagged ship Saigon II docked at the Sierra Maestra wharf. Beginning on 1 July the rice will be distributed to all commercial centers in Havana, and supply is expected to be good throughout July and August. (Havana Radio Rebelde Network in Spanish 1700 GMT 1 Jul 95)

Pinar del Rio is the first province to open incentive stores for sugar industry workers. Outstanding workers

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receive vouchers which can be redeemed at the store in exchange for goods such as clothes, shoes, food, etc. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 Jul 95)

Since opening in March, 1993, the sorbitol plant bordering Ignacio Agramonte Agroindustrial Complex in Camaguey has produced approximately 1,200 tons of the product used in food, cosmetic and medicine industries. The plant was built at a cost of 11 million pesos, and its production saves the cost of imported sorbitol which costs $570 per ton. (Havana Radio Rebelde Network in Spanish 1155 GMT 3 Jul 95)

In Camaguey Province, the Spring sugarcane planting campaign is behind schedule. The goal was to have planted 2,407 caballerias during the first six months of the year, however only 1,196 caballerias have been planted. Replanting efforts are also behind schedule by 1,000 caballerias, but manual weeding efforts are going according to schedule, even though 20 percent of the fields are affected by weeds. During the months of July, August, and September great efforts aimed at increasing sugarcane production must be made in the province. (Havana Radio Rebelde Network in Spanish 1700 GMT 3 Jul 95)

Ciego de Avila has collected and sent to the factory in Camaguey 50 tons of paper and cardboard to be recycled into roof tiles for homes damaged in recent rains. Collection was greatest in Majagua, Bolivia, Florencia, and Ciego de Avila Municipalities. (Havana Radio Rebelde Network in Spanish 0900 GMT 4 Jul 95)

In Havana City, Pedro Poli Lopez, electricity service spokesman, announced that early this morning Antonio Guiteras electricity plant's 330 megawatt unit was brought back on line, after 10 days of maintenance work was completed. Therefore, the recent fluctuation in service will be reduced. (Havana Radio Rebelde Network in Spanish 1155 GMT 5 Jul 95)

As of 7 May the budget deficit in Matanzas had risen to 24.3 million pesos, slightly higher than expected. Although earnings were 5 million pesos higher than for the same period in 1994, they were over 2 percent lower than projected. The largest contributions to the provincial budget came from taxes on services, estimated earnings of enterprises, amortization contributions, and non tax earnings. Low earnings due to poor management were most obvious in the health, restaurant, transportation, trade, and local industry sectors. Local industry is carrying a high inventory of low quality products. (Havana Radio Progreso Network in Spanish 1100 GMT 6 Jul 95)

20,000 tons of rice donated by Vietnamese people is being unloaded at the Sierra Maestra dock at the Port of Havana. The rice was collected in a campaign sponsored the Vietnamese Patriotic Front. The shipment also included 2,000 pairs of shoes collected by the Vietnamese Women's Federation, and school supplies for the Ministry of Education. (Havana Cuba Vision Network in Spanish 1630 GMT 7 Jul 95)

Between January and June of 1995, 726,400 tons of oil were extracted, surpassing the projected goal. The national year-end goal is 1.4 million tons. Increased production stems from new methods such as relocation of excess labor, incentive rewards directly tied to individual effort, as well as progressive extraction technologies supplied by foreign companies including (Northern Energy) of Canada, and Geopetrol of France. (Havana Cuba Vision Network in Spanish 1630 GMT 7 Jul 95)

Roundup of Politburo Members' Activities

FL0107151395

[FBIS Editorial Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 30 June.

Nelson Torres has met combine factory workers in Holguin. The workers pledged to deliver 245 KTP-II combines to 10 mills nationwide by 15 October to help increase sugarcane production figures. (Havana Radio Rebelde Network in Spanish 1700 GMT 26 Jun 95)

Julian Rizo Alvarez has attended a Cuban Revolution Veterans Association (ACRC) meeting in Camaguey to review ACRC activities during the first six months of 1995. He stressed that the detachment's efforts support and nurture revolutionary ideas. (Havana Radio Rebelde Network in Spanish 2300 GMT 27 Jun 95)

Haiti

Aristide Appeals to Parties, Population for Calm

95CA9115 Port-au-Prince Signal FM Radio in Creole 1130 GMT 10 Jul 95

[FBIS Translated Text] Haitian Chief of State Jean-Bertrand Aristide has issued an appeal to the entire population, particularly the political parties, to remain calm while waiting for the results of the elections to be made public. Aristide invited the leaders of parties to outdo themselves and understand the need for Haiti to move forward as a nation, especially as regards the holding of the first round of the elections.

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[Begin Aristide recording] On this occasion, I have come to say once again to every Haitian, every candidate, every political party: There is a possibility for us to sit down together and talk, so that, in calm and dialogue, we can seek the solutions that will be best for our country.

When a person has lost a few votes in an election, it doesn't mean that person has lost the possibility to continue exercising his role as a citizen within the struggle for democracy that we are waging.

Let everyone cooperate so as to maintain calm, and so that we can calmly engage in dialogue and, through such dialogue, come up with solutions that will be good for us all.

I am here for all of you. Let's talk together, and together we will grow. [end recording]

Renews Call for Dialogue, 'Understanding'

95CA9126 Port-au-Prince Radio Metropole in French 1600 GMT 10 Jul 95

[FBIS Translated Text] As we were saying a short while ago, President Aristide, while waiting to hear officially who the principal winners of the 25 June elections are, last weekend appealed to the leaders of political parties to engage in dialogue. Today, Monday, at the opening of the symposium on the population, he again talked about the elections to Rothschild:

[Rothschild Francois Jr. — live, from the National Palace] Indeed, Ketly, President Aristide did make a statement a while ago concerning the elections. He renewed the call for dialogue that he made last weekend to the political parties, and said he is hoping the election results will be published. He announced that he talked about that yesterday with CEP [Provisional Electoral Council] President Anselme Remy and the other members of the CEP. President Aristide also said he hoped the irregularities noted during the first round of elections do not occur during the elections that will be held, probably, next August. I mean, the second round of elections. Let's listen to President Jean-Bertrand Aristide.

[Begin Aristide recording, in Creole] As for me, my role is to note events and respect the independence of the CEP, while I encourage the CEP to issue the results whenever it decides to, and encourage the political parties and the fans of certain poltical parties to criticize — for that's normal — but, at the same time, bear in mind the country, which requires great understanding so that we can make great progress along the path, without falling into hot-headedness that would make us...[pauses] not let...[rephrases] ballots have already been burned. We would not like to see other ballots, or BEC's [Communal Electoral Offices] burned down. Let's hope we will be spared all such acts of violences, and, in peace, dialogue, in respect for (?norms) and for human rights, that we manage to cross that crossroads that the elections constitute without any big problems. I hope that that is going to be done quickly and well.

I wish the CEP luck in finding people with lots of experience and great competence so that they can help us hold better elections for the second round, so that when people go to vote they won't have to waste time looking for the place where they are supposed to vote, only to find the place to vote and have someone say that no, that person is not on the list. [end recording]

Those were the words spoken a moment ago by President Jean-Bertrand Aristide, who was inaugurating the national symposium on population and development.

CEP To Publish Results After 11 Jul

95CA9114 Port-au-Prince Signal FM Radio in Creole 1130 GMT 10 Jul 95

[FBIS Translated Text] The Provisional Electoral Council [CEP] informs the public in general — and, in particular, the voters — that it is going to announce the results of last 25 June's elections tomorrow, 11 July, 1995, after 1700 [2100 GMT]. The CEP was to have made public the results of the exams [as heard] last Saturday.

On that occasion, the CEP is also going to publish the places where there are going to be partial elections [eleksyon par ti bout yo] on Saturday 22 July, as per recommendations from the BED's [Departmental Electoral Offices] on the basis of criteria decreed by the CEP in a communique that the CEP says it issued on 3 July 1995. The communique issued by the CEP also says that on the same day, they are going to make public the list of candidates who did not qualify and who were not allowed to run in the elections — at the level of the partial elections, second round, as well as in the runoff elections — by virtue of the penal dispositions of the electoral law, which refers to Articles 118 and 136 of the electoral law — for having ordered violent acts and intimidated people participating in elections, as well as the employees of the electoral apparatus in the areas concerned.

The CEP says it takes this opportunity to ask the population in general and to the voters in particular to remain calm, so as not to play into the hands of irate [move] people who lost in the elections, as well as people who are part of the forces that are against change, whose goal is to get the 25 June elections declared null

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and void — elections in which the CEP says 1.5 million citizens went out to declare, in 117 and 133 communes [as heard] in Haiti, the choice they were making for a democratic Haiti, a new parliament, and the building of a rule of law — says this communique from the CEP in which the CEP announces that the results of the elections are going to be made public tomorrow afternoon.

We also report that we have learned from an absolutely reliable [si] source that the CEP met discreetly, last Saturday, with a number of foreign diplomats in Port-au-Prince, to discuss the unfolding of the elections. Up to the present, nothing about what was said between the members of the CEP and the foreign diplomats has as yet emerged.

Further on CEP Plans To Announce Results

95CA9116 Port-au-Prince Signal FM Radio in French 1030 GMT 10 Jul 95

[Monitored in progress]

[FBIS Translated Text] ...the Departmental Electoral Offices and based on the criteria set forth by the Provisional Electoral Council [CEP] in its 3 July 1995 communique. On that same day will be made public the list of disqualified candidates excluded from the elections — both the partial elections and the runoffs — by virtue of the penal dispositions of the electoral law, reference Articles 118 to 138 inclusive, for having financed [pour avoir commandite] acts of violence and intimidation against voters and employees of the electoral apparatus in the areas concerned.

I remind listeners that the CEP had announced that it would publish these results last Saturday, 8 July, but the wait was prolonged. The CEP has announced that these results will be officially published... [rephrases] proclaimed tomorrow, 11 July 1995, after 1700.

The CEP takes this opportunity to issue a call for calm on the part of the population in general, and the impatient voters in particular, so that they will not play into the hands of bad losers and of the forces that are against change, whose goal it is to get declared null and void the elections of 25 June 1995, elections during which over 1.5 million citizens made known, in over 117 of the nation's 134 communes, their choice in favor of a democratic Haiti, a new parliament, and the building of rule of law.

Postpones Elections Results Announcement

PA1007202895 Mexico City NOTIMEX in Spanish 1602 GMT 10 Jul 95

[By Jacquelin Telemaque]

[FBIS Translated Text] Port-au-Prince, 10 Jul (NOTIMEX) — The Provisional Electoral Council (CEP) of Haiti has unexpectedly modified the strategy of the electoral process as it awaits the results of the partial elections of 23 July in 15 localities of the country.

The CEP failed on 8 July to honor its promise to announce the results of the 25 June elections, and it has decided to postpone the announcement on the results until the partial elections of 23 July are known.

In those partial elections in areas where voters were unable to cast votes on 25 June due to faults of the electoral process, one- fourth of the 83 deputies for the next Haitian Parliament will be elected.

Among those localities are Borgne, Limbe, and Dondon in the Northern Department; Kenskoff in the Western Department, and Jean- Rabel, Chansolme, and Bassin Bleu in the Northeastern Department.

Voters were also unable to cast their votes in Maissade and Hinche in the Central Plateau and Belle-Anse in the Southeastern Department, among others.

According to the new CEP schedule, the results of the 25 June elections will be announced along with those of the 23 July elections, and this will define the second electoral round, scheduled for 13 August, in areas where no candidate garnered a majority.

Sources close to the CEP have assured, however, that the date for the second round, 13 August, will depend on how quickly the votes of the 23 July elections are counted.

"The 13 August date is apparently tentative, and a postponement of the second round until early September is possible," a CEP source has said.

Certain problems experienced by the Haitian electoral process were caused by the fact that these elections were the first organized ones without the participation of the Army, which President Jean-Bertrand Aristide dissolved months ago.

Elimination of the Army's repressive actions placed the political parties before an electorate that was hesitant to trust the candidates and organizations that supported the coup d'etat of 30 September 1991.

In view of the specific problems experienced during the 25 June elections, a group of political parties is

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demanding that the CEP be restructured and that new elections be held in all areas where the elections have been challenged.

The parties making this demand, according to local and foreign observers, are those that had no chance of getting their candidates for deputy, senator, and municipal and local councillor elected.

A second group of more representative political parties has recognized that criticism against the CEP is fair but did not demand its reorganization. Among them is the Lavalas Political Organization (OPL), a coalition of three groups that enjoy the official support of President Aristide.

Along this same line are the National Front for Change and Democracy (FNCD) and the National Congress of Democratic Forces (Conacom), which supported Aristide's candidacy in the 1990 elections but presented its own candidates on this occasion.

The three main political forces in Haiti (OPL, FNCD, and Conacom) agree on certain issues and, according to analysts, will make efforts to establish joint actions in the future Parliament.

CEP: Partial Elections To Be Held 22 Jul

95CA9123 Port-au-Prince Radio Metropole in French 1600 GMT 10 Jul 95

[FBIS Translated Excerpt] The results of the 25 June elections, which the Provisional Electoral Council [CEP] had announced would be forthcoming on Saturday, 8 July, were not made public on the scheduled date. According to the CEP's latest communique, these results will be made known Tuesday, 11 July, after 1700 [2100 GMT]. The CEP gave no explanation regarding this new postponement.

The CEP has, however, announced that partial elections will be held on 22 July. The places where there will be partial elections will also be made public tomorrow, 11 July. [passage omitted]

Conacom Asks CEP for Electoral District Information

95CA9118 Port-au-Prince Signal FM Radio in French 1030 GMT 10 Jul 95

[FBIS Translated Text] Conacom, the party of the National Congress of Democratic Movements, publicly asks the Provisional Electoral Council [CEP] —for the historical record, so that no one will be ignorant of it, before the publication of the alleged [soi-disant] results of the noted [as heard — constatees] elections of 25 June 1995 — for information regarding the number of people registered to vote, per electoral district; the number of Registration and Voting Offices and the location of each for each electoral district; the number of people voting per electoral district; and the number of official reports [proces-verbaux] duly signed by the representatives of the party per electoral district.

Conacom, sticking tightly to its principles, remains convinced that the struggle for unfettered, honest, genuine, open, democratic elections must continue.

Former Senator To Reveal Artibonite Irregularities

95CA9117 Port-au-Prince Signal FM Radio in French 10 Jul 95

[FBIS Translated Text] Former Senator Serge Joseph says he is ready to make revelations regarding the holding of the elections in the Department of the Artibonite. According to Joseph, there have been numerous wheelings-and-dealings [tractations] these past few days with a view to modifying the results of the elections in that department. Joseph, a National Agricultural and Industrial Party candidate for senator, is preparing to make statements this morning regarding the misappropriation of funds [malversations] by certain members of the electoral apparatus in favor of a certain political group.

We are awaiting Joseph's statements, regarding these misappropriations of funds and wheelings-and-dealings in the Department of the Artibonite.

Movement Leader: Elections May Be 'Pyrrhic Victory'

95CA9125 Port-au-Prince Radio Metropole in French 1600 GMT 10 Jul 95

[FBIS Translated Text] With the legislative and municipal elections — the first round of which was held on 25 June — the country has missed its opportunity to have a legislature reflecting, more or less, the political class. Such was the opinion expressed by Claude Roumain, coordinator of the civic movement Generation 2004, who was [Metropole journalist] Clarens Renois's guest yesterday on the program 'Encounters' [Rencontres].

[Begin recording] [Roumain] [Words indistinct] I myself, and we said so, is that these elections, the way they are going right now, are not going to permit a consolidation of democratic order in Haiti, and because of that fact, are consequently not going to permit an economic revival. Normalization of political life is not going to be the result of these elections. It is really a pity that we have once again missed the boat, missed this opportunity to have a legislature that reflects — more or less — the political class and the political forces in this country, and that we have missed the opportunity to have a

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legislature much more competent than the 45th legislature.

[Renois] Do you fear an OPL [Lavalas Political Organization] majority in the parliament?

[Roumain] I would have no fear of an OPL majority in the parliament if the elections had unfolded in an honest, democratic, genuine manner, but I fear that an OPL majority that would be the result of an election that would not be accepted — an election the credibility of which would be tainted — would be just a coup for nothing [un coup pour rien]. One will definitely not be able to manage [gerer] this nascent Haitian democracy; one will be unable to make the country lift off, if there is a desire to be exclusive, a will to exlude other social forces from this national effort.

[Renois] What do you mean by majority of a coup for nothing? [majorite d'un coup pour rien]?

[Roumain] A coup for nothing? That means that one can force an election, one can force things and win, and it might turn out to be a Pyrrhic victory. This has already been seen; that is, a victory that leads to nothing.

What is really at stake right now? What is really at stake is to allow...[pauses] a political situation to (?degenerate) — a political situation that consolidates our democratic institutions, and thus which does not permit going backwards, and at the same time, which facilitates economic revival. If we cannot manage to generate jobs in this country, if we cannot manage to permit investors to feel reassured, and for that to permit the progressive improvement of living conditions in Haiti, we think that it is a coup for nothing. [end recording]

Kenscoff: Detainees Released, Threats Noted

95CA9119 Port-au-Prince Signal FM Radio in French 1030 GMT 10 Jul 95

[FBIS Translated Excerpt] The individuals implicated in setting on fire the Kenscoff BEC [Communal Electoral Office] last (?26) June were released last Friday [7 July]. The individuals implicated in the torching of electoral materials in Kenscoff last (?26) June were released Friday afternoon. A goodly portion of the population of Kenscoff went out into the streets to welcome them. This turned into a peaceful demonstration.

Mr. (Jean-Louis) has called immoral those who set fire to ballots and those who undertook initiatives with a view to getting the former released. He also said that he has received verbal threats.

According to (Jean Buteau Coriolan), candidate for deputy for the district of Petion-Ville/Kenscoff running on the Conacom ticket, this release was brought about thanks to the many initiatives undertaken by Conacom's lawyers. [passage omitted]

For his part, (Coffy Jean-Louis), who is running for mayor of Kenscoff on the Lavalas Political Organization [OPL] ticket, says he is indignant about this hasty release. In his opinion, this release shows how weak the judicial apparatus in Haiti is. Mr. (Jean-Louis) calls immoral all those who participated in acts of sabotage in Kenscoff.

[Begin (Jean-Louis) recording, in Creole] Today, the police arrested people caught in the act of causing disorder, setting fires, and burning official records. And now, after just a few days, we see that those people have been released.

Yes, they have been released. They are free. They are out and about. But that shows the degree of weakness of the judicial apparatus in Haiti, and, also the level of what they call the Haitian Police.

Because, I mean, now we are in a situation in which we are not optimistic nor pessimistic, but are sceptic. Definitely, I must tell you that there have already reportedly been threats made, verbal threats. And there are people who say they burned papers, that they burned official reports; and now it is we whom they are going to kill.

And there is a scientific principle that says that under the same circumstances, the same causes produce the same effects. [end recording]

Judge Arrested; Gangs Routed; Commissioner Resigns

95CA9112 Port-au-Prince Signal FM Radio in French 1030 GMT 10 Jul 95

[FBIS Translated Excerpts] The former justice of the peace of Limbe has been arrested and jailed. He was rebelling and did not want to resign. Mr. (Jacques Laguerre) was arrested last week by the Limbe police. He is implicated in the setting on fire of the Limbe polling station on 25 June 1995.

At the moment of his arrest, the tearful (Laguerre) made a statement. [passage omitted]

Also in the Department of the North, we have learned that over 200 evildoers [malfaiteurs] have been locked up by the National Police in the North. The National Police in the Department of the North have routed more than three groups of evildoers, including the Red Army, that sowed terror in the town of Cap-Haitien and its environs. Over 200 people were arrested during these

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operations, according to what we have learned from the Cap-Haitien police station.

We have also learned from an absolutely reliable source that the police commissioner recently sent to the North has tendered his resignation, because of differences existing within that police station.

Northern Chamber of Commerce on Minimum Wage

95CA9120 Port-au-Prince Signal Radio in French 1030 GMT 10 Jul 95

[FBIS Translated Text] The minimum wage, set at 26 gourdes by presidential decree, has not been respected throughout Haiti. In the Department of the North, for example, the authorities of the Chamber of Commerce say they have not been affected by this governmental decision. According to certain northern industrialists, this increase in wages is appropriate considering the high cost of living lately. On the other hand, it is inopportune, says (Macajoux Alexandre Medard), president of the Chamber of Commerce and Professions of the North.

[Begin (Medard) recording in Creole] There is not really any information. As I was saying to you, we did not participate in the negotiations. We do not know anything about how the negotiations were conducted. We never received any document giving an account of all those things that might have provided us with certain explanations. In fact, we had to be content with what we heard over the radio or read in the papers.

As I said, we don't know how the negotiations were conducted. Had we participated in the negotiations, we could have given our opinion. The only thing I can tell you is that I think that it surely bothered many people in the private sector, because it comes following a period when everything died. We would have preferred for these measures to parallel a real resumption of activities.

If you take the increase in itself — and I am not talking about the figure but about the idea of a wage increase — it is something that is clearly justified, because everyone knows the cost of living is extremely high, and one cannot live off just any pittance. But I do think that, normally, the private sector must be given facilities, so that there can really be a resumption of activity and so that the increase doesn't, instead of fixing things, drive a number of sectors into bankruptcy. [end recording]

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Secretariat Reaches 4 Accords With El Barzon

PA1007184295 Mexico City XEW Television Network in Spanish 0430 GMT 6 Jul 95

[From the "24 Hours" newscast — passages within quotation marks recorded]

[FBIS Translated Text] The Government Secretariat has reached four new agreements with the El Barzon National Union of Agricultural Producers, Merchants, Industrialists, and Lenders of Services with a view to finding solutions to the problem of overdue loans.

After meeting with Government Under Secretary Arturo Nunez for more than two hours, El Barzon President Juan Jose Quirinos announced during an interview that the Government Secretariat would act as mediator in the following actions:

1. Meetings as of next Monday between El Barzon Movement representatives and high level officials from the Commerce, Agriculture, and Finance Secretariats; 2. Subsequent intersecretariat meetings to undertake a global assessment and to recommend solutions; 3. The promotion of meetings between El Barzon members and state governors:

[Quirinos] "Specifically, we maintain that Guerrero Governor Ruban Figueroa and Michoacan Governor Ausencio Chavez should also be summoned to participate in this meeting. These two officials have been particularly reticent so far to join efforts along with El Barzon to find a solution to the problems, particularly usury, plaguing the two previously mentioned states."

And 4. Summons to a forum on overdue debt that will include all sectors.

Quirinos has said the objective behind all these actions is to pave the way toward a national dialogue:

[Quirinos] "The goal is for all of us, bankers, the Finance Secretariat, and debtors, to sit and deal with this issue in a jointly responsible, peaceful, legal, and objective manner."

The El Barzon president has said Government Under Secretary Nunez has reiterated that Government Secretary Emilio Chuayffet's commitment to guarantee all agreements leading to a solution.

Roundup of Mexican Economic Developments

PA1007181795

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexico monitored through 10 July.

According to a 5 July, Mexico City-datelined item, the Mexican Commerce Secretariat has issued two resolutions on the imports of gasoline additives from the United States and urea from the Commonwealth of Independent States. In the case of gasoline additives, it was decided on 23 June 1994 that all imports of gasoline additives will have a compensatory tariff of 23 percent. It was determined after countless investigations that the volume and prices of imported gasoline additives did not harm local manufacturing of the product, the reason why the compensatory quota is revoked and all revenues collected as consequence of this tariff and corresponding interests will be returned.

Concerning urea, the Commerce Secretariat issued a resolution on 16 June 1994 levying provisional quotas ranging from 41.56-57.23 percent on urea imports from the former Soviet republics. After analyzing several factors, the preliminary resolution was modified to levy a definite compensatory quota on all urea imports whose prices are lower than $129.78 per ton. The amount of the tariff will be the difference between the import price and the normal price set at $125.78 per ton. (Mexico City NOTIMEX in Spanish 1907 GMT 5 Jul 95)

A 6 July, Mexico City-datelined item reports that state owned Mexican Petroleum, Pemex, sold 28,400 barrels of diesel a day in international markets from January to May 1995, a 64.1 percent increase compared to the same period in 1994. Pemex added that local diesel production was 274,200 barrels per day by May. Foreign sales of Sin, Marino, and Industrial diesels averaged 239,300 barrels a day during this period. In addition, Sin diesel sales represented 54 percent of all diesel sales in the country. (Mexico City NOTIMEX in Spanish 2148 GMT 6 Jul 1995)

A 6 July, Mexico City-datelined item states that Dan Sebbah, economic adviser for the Israeli Embassy in Mexico, said on 6 July his country is interested in reaching a consensus on a free trade agreement with Mexico, "because it will be a springboard for the North American and Latin American markets." He has affirmed that Israel is confident Mexico will recover itself economically. (Mexico City NOTIMEX in Spanish 0045 GMT 7 Jul 95)

Chrysler-Mexico Director General Carlos Lobo Silva said on 6 July his company will export approximately $3.5 billion in vehicles in 1995. He has disclosed that the company had exported 35,000 vehicles amounting to $1.5 billion by 30 June 1995 mainly to the United States and Canada. According to a 6 July, Agua Nueva-datelined item, Lobo said with regard to the local automotive market that sales dropped by 60 to 65 percent. Chrysler-Mexico stated it is not planning to lay off personnel, however, because exports replaced the

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drop in local sales. (Mexico City NOTIMEX in Spanish 0105 GMT 7 Jul 95)

A 6 July, Mexico City-datelined item reports that French Ambassador to Mexico Bruno Delaye on 6 July affirmed that French businessmen will invest $150 million in the Mexican glass sector, adding that Mexican sales to his country increased by 33 percent so far in 1995. He told NOTIMEX that France and the EU are confident Mexico will overcome the economic crisis. (Mexico City NOTIMEX in Spanish 0113 GMT 7 Jul 95)

It was reported on 6 July that foreign businessmen invested approximately $300 million in the first five months of the year in Sonora State, thus creating more than 11,000 jobs, according to a 6 July, Nogales-datelined item. Antonio Quintal, Sonora State industrial development under secretary, said $700 million are expected to be invested in his state in 1995. He said the national assembly plant sector went from employing 608,000 workers in November 1994 to 625,000 in May 1995, thus placing this industry as Mexico's main employer. (Mexico City NOTIMEX in Spanish 0144 GMT 7 Jul 95)

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El Salvador

Calderon Sol Holds News Conference

PA0807024295 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 7 Jul 95

[News conference by President Armando Calderon Sol with local reporters and unidentified moderator in Intipuca, La Union Department; from the "KL Radio News" newscast — live]

[FBIS Translated Text] [Wilfredo Cordoba] We are in Intipuca, La Union Department, reporting that the news conference by President Armando Calderon Sol began a few minutes ago. Calderon Sol presided over this morning's events. Right now the president is talking about the corruption cases discovered in the General Immigration Directorate.

[Calderon, in progress] ...people who do not meet the conditions or constitutional requirements to be Salvadorans which entitle them to this document. A whole network including the mayor's office, the civil registry office, and immigration is being investigated. We will go all the way to halt this situation in our country. As you already know, we are also studying the possibility of creating a single identity document and a national registry. A single registry is needed to centralize this information because there is plenty of disorder in our country, and identity documents and passports do not provide the national and international security they should provide. The country is also suffering from the ill-effects of drug traffickers and other international criminals who easily obtain passports or Salvadoran documents due to the fact that there is no single, centralized registry to prevent our documents from being forged.

The National Civilian Police is investigating, and there have been some arrests. We expect other arrests to follow and hope this investigation, which is already in the hands of the judicial branch, will go even deeper.

[Cordoba] This is President Armando Calderon Sol speaking.

[Calderon, in progress] ...as is already known, the private sector has also mentioned this. We hope this proposal is made soon and that this increase will take place (?as late) as possible.

[Cordoba] Reporter Balmore Parada with live information over Radio Cadena YSKL from Itipuca. [sentence as heard]

[Calderon, in progress] ...these exercises carried out in the gulf with U.S. Army technical advice are true exercises that fulfill a whole range of technical situations, both for the Honduran and Salvadoran armed institutions. Remember these waters are shared. I believe these events will bring us closer to our Honduran brothers and enable us to guard the gulf more efficiently.

We have still not announced the appointment of the foreign minister, which we hope to do this month. We are making consultations and looking for the appropriate person for this historic stage in the country. We need to promote El Salvador internationally. We need to sell our country, sell our process, and encourage foreign investment in El Salvador. The new foreign minister must also have an economic mentality. We are studying potential candidates and will make the best decision possible, preferably this month. Meanwhile, the Foreign Ministry is in the hands of the deputy minister. At this moment the deputy minister is accompanying the vice president at President Menem's inauguration. Similarly, a mission will go to President Fujimori's inauguration in Peru in a few days.

My intense schedule here in El Salvador has prevented me from attending these international obligations, but the country is represented by our vice president and by missions of several deputies.

[Moderator] [Words indistinct] Washington correspondent.

[Reporter] Good morning, Mr. President. I would like to know if you think there would have been mass deportations if you had not made efforts to extend the stay of the Salvadorans through the (TPS)? I imagine this was the program you discussed with President Clinton.

[Calderon] I do not want to make hypotheses or assumptions. I do not think it is worth our while to speculate. What I can tell you is that President Clinton made a clear promise to me. He clearly stated there would not be mass deportations. He is going to appoint a person in his immediate staff [previous word in English] at the Security Council to work on this. This person, together with a technical advisory team, will discuss the issue with a Salvadoran team and will look for the best alternative or for several alternatives to solve this problem. Please recall that this is a very sensitive issue in U.S. politics. Furthermore, the upcoming electoral period in the United States makes the issue even more delicate. It is a controversial issue that both parties are debating. We also talked about this situation, and I told him I was worried the issue would be politicized in the United States. We will try to stop this. We will ask both parties, congressmen and senators of both parties, not to politicize the issue and to find a solution, an alternative for it. The president promised us this, as well as that there will be no mass deportations. He also promised they would look for an alternative, for the

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best alternative. Do not forget that El Salvador was a victim of the Cold War, not just El Salvador, Central America in general, but El Salvador especially. We had a war here. A war and a brutal conflict that also had international implications in the Cold War....

[Cordoba interrupting] This has been excerpts of President Armando Calderon Sol's statements at Intipuca in La Union Department this morning.

Deputy Economy Minister Discusses Trade With U.S.

PA0807160395 San Salvador Radio Cadena YSU in Spanish 1800 GMT 7 Jul 95

[Report by Douglas Mejia; from the "YSU Radio News" newscast]

[FBIS Translated Text] Salvadoran Deputy Economy Minister Rene Leon confirmed this Friday that El Salvador and the United States signed a bilateral agreement on Thursday that will allow the country to have greater access to the U.S. textile market. The official explained that this agreement gives the country great advantages, because it will be able to export many more millions of items of lingerie and sleepwear, and this will increase the country's economic revenues.

[Begin Leon recording] As a result of our negotiations, we managed to increase the exports to the U.S. market from 3.7 million dozens to more than 37 million dozens. This amount is broken down as follows: We will be able to send 7 million dozens in fabric produced domestically or imported from any country, except the United States, to the United States. And, we will be able to export 30 million dozens in fabric, which has been produced and clipped in the United States, to the United States. The importance of the level of exports obtained in our negotiations and to which the United States agreed, is that it is a level that will not only allow companies and investors that are already producing those products to meet their production contracts, including the ones for 1996, without any problems, but it will also leave a broad margin for new investment in those categories. [end recording]

The government economic cabinet still has to get the United States to give the country the preferential treatment it gives Mexico with the Free Trade Agreement.

[Begin Leon recording] We are pressing the United States, both the U.S. Congress and Senate, for the prompt approval of this law that, allow me to tell you, will not only benefit El Salvador and the Caribbean basin countries, but will also benefit the United States tremendously. The fact that U.S. companies are able to make arrangements of this kind with the Caribbean, Central America, and countries like El Salvador is what allows them to compete with Asian products in the U.S. market and to maintain their competitiveness. Thus, NAFTA parity triggers new jobs and sustains the existent jobs in the United States. Furthermore, NAFTA parity is also important for the United States, because 70 cents out of every dollar we export to the United States returns to the United States with our countries' imports. [end recording]

According to Leon, another advantage of the agreement is that it lifts the restriction imposed by the United States on Latin American countries. The latter have not been able to export textiles to the United States since 23 June, because the northern country considered those jeopardized its domestic production, which had decreased due to the exaggerated amount of Latin American textile imports during the past months. Leon said they had convinced the United States that Salvadoran textile imports had never had a negative repercussion on U.S. production.

Honduras

Finance Minister Supports Investments Promotion

PA1007235295 San Pedro Sula TIEMPO in Spanish 8 Jul 95 p 4

[Report by Romero Murillo]

[FBIS Translated Text] San Pedro Sula — Juan Ferrera, minister of finance and public credit, has said it is urgent to create the conditions that promote foreign and domestic investment.

"It would be very difficult for me to answer for President Reina, however, I have heard the president tell those of us in the government involved in solving problems to have a single purpose," Ferrara said, responding to businessmen's questions on the lack of investment guarantees.

Ferrara said that the economic cabinet members will forward to the president the demands by the north coast's private sector that rural and urban occupations and labor conflicts be brought to an end. "We will take those concerns to him, and I believe that, as President Reina has already stated, all those problems must be solved in compliance with the law. Yet, I do think we somehow have to provide positive results through urgent solutions to problems in order to foster the climate so that we can attract foreign investments and stimulate domestic investment."

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Nicaragua

Leal Characterizes Army Relations With U.S. as 'Excellent'

PA0807040795 Mexico City NOTIMEX in Spanish 2057 GMT 6 Jul 95

[FBIS Translated Text] Managua, 6 Jul (NOTIMEX) — Nicaraguan Foreign Minister Ernesto Leal today characterized as "excellent" the relations between the U.S. and Nicaraguan Armies, relations reestablished in 1990 after a decade of tension and hostility.

Leal said: "These relations are improving daily." Leal ruled out the possibility of the Nicaraguan Armed Forces taking part in joint maneuvers beginning tomorrow, Friday, in the Gulf of Fonseca, with the participation of U.S., Salvadoran, and Honduran military forces.

The foreign minister confirmed that Nicaraguan military personnel will go to the Gulf of Fonseca, which borders Nicaragua along with El Salvador and Honduras, to observe the maneuvers. This will be the first time the Nicaraguan Army will monitor this exercise, which the U.S. military has been carrying out in the area since the 1980's. In the past decade, the United States financed Nicaraguan guerrilla groups that attempted to overthrow the Sandinist National Liberation Front administration (1979-90).

Leal explained that now these maneuvers are aimed at helping the governments of the area combat drug trafficking and the illegal smuggling of weapons, as well as other problems on the isthmus.

After the inauguration of the current president of Nicaragua, Violeta Chamorro, who in 1990 defeated the Sandinists in a democratic election, the former Sandinist People's Army established relations with the United States, following more than a decade of tension.

It was in this rapprochement framework that U.S. Ambassador John Maisto met Monday with General Joaquin Cuadra, commander of the Nicaraguan Army. During this meeting, Maisto reviewed with Cuadra the situation of this Central American country. Today, Maisto traveled to Washington where he will present a report on Nicaragua's political and economic situation.

Minister Pereira: Accord With U.S. Grants 'Excessive Conditions'

PA0807191295 Managua Canal Cuatro Television in Spanish 0400 GMT 7 Jul 95

[Interview with Economy and Development Minister Pablo Pereira by Miguel Mora; place and date not given — recorded, from the "Extravision" newscast]

[FBIS Translated Text] Nicaragua has signed an agreement that grants excessive conditions to U.S. investors. The agreement recognizes the rights of intellectual property, repatriation of capital to the United States, and compensation for damages.

[Begin recording] [Mora] With this agreement, which is still not in effect until the National Assembly ratifies it, the United States guarantees itself more gains than losses for its good intentions to invest. First, the government has to recognize as companies the intellectual property of U.S. citizens, such as copyrights, patents, industrial designs, brands, and so on. Every year, the United States loses $17 billion because these rights are not recognized.

U.S. investors will be able to take abroad their profits whenever they wish, and the Central Bank will be forced to exchange their cordobas for dollars.

[Pereira] Why am I going to invest in this country, if later I cannot enjoy the fruits of my investment?

[Mora] I am surprised Costa Rica has not signed this kind of agreement, if it is so favorable for countries.

[Pereira] There is some misconceived conception. Not all that glitters is gold.

There will be no expropriations or nationalization unless the public interest has been proven, and until the compensation has been paid in cash. In case of war, turmoil, revolution, secession, and insurrection, Nicaragua will have to pay for damages and losses. Investors may bring the personnel they want to work in their companies without a number limit. For that reason, skilled and professional Nicaraguan workers will have strong competition from abroad. By the same token, Nicaragua will be able to send to the United States its officials and employees without a number limit.

[Mora] What guarantee does the agreement give us that we will not experience what happened in Mexico, where all capital investments fled when the crisis broke out? In fact, many U.S. companies fled and left the Mexican state almost bankrupt.

[Pereira] We are talking of investments in companies, production, machinery and the like, things they cannot take with them overnight. There is a big difference

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between an investor who is involved in speculation and another who joins the productive apparatus.

[Mora] The United States reserves the right to reject the companies with ties to countries with which it does not have good international relations, such as Cuba. U.S. companies will have the same rights and duties as local companies. Nicaragua would not be able to invest in fisheries, air and maritime transportation, banks, insurance, securities, and other financial services in the United States. Nicaragua reserves the right to reject real estate investments along border zones, fisheries, and small and medium-sized companies. The agreement will be in effect for 10 years and may be renewed. [end recording]

Lacayo Interviewed on Constitutional Reforms, Assembly

PA1107035295 Managua EL NUEVO DIARIO in Spanish 8 Jul 95 p 7

[Report by Edgard Barbarena S.]

[FBIS Translated Text] Presidency Minister Antonio Lacayo ended his speech over the "Good Morning" interview program on Channel 2 with an attack against the constitutional reforms and all the assembly deputies — especially Miriam Arguello — and stressed his marked certainty that the Supreme Court of Justice will rule in his favor and against the prohibitions against him.

The attacks by the president's son-in-law were also aimed at Commander Henry Ruiz, who stated in a recent interview that Lacayo himself was the best ally of the Sandinist National Liberation Front [FSLN].

Likewise, Lacayo chose not to respond to a question by program moderator Danilo Lacayo related to his being allied with the orthodox front.

On the contrary, Lacayo spent most of the time displaying a bill printed during the Sandinist regime which, in his opinion, "was not good for anything," and explaining why a member of the FSLN board of directors had accompanied him during his meeting with the Paris Club.

Lacayo expressed his outrage when Henry Ruiz described him as an ally of the FSLN and lumped the liberal followers of Arnoldo Aleman, of Daniel Ortega's party, and Sandinist revivalists into a single group, "because they all governed during a dictatorship and led our country to war and our economy to collapse."

He described LA TRIBUNA and EL NUEVO DIARIO newspapers as liars, but refrained from saying anything about the FSLN's mouthpiece BARRICADA, which sort of reveals that this newspaper is one of his favorites.

Hassan Was a Confiscator

He was also asked about statements made to PANORAMA magazine by Deputy Moises Hassan, who said Lacayo paralyzed the National Assembly for four months, destroying the Supreme Court to get his own way and, therefore, "should leave politics, but he acts shamelessly under his good boy image."

In the same publication, Dr. Miriam Arguello said "the fact that the government is being run by a person who was not elected is sufficient reason for it to be detrimental."

When answering a question about being the power behind the throne, Lacayo went off on a tangent, saying that Somoza, Daniel Ortega, and Sergio Ramirez came to power through violent means and obviously "nothing good could come of those governments."

Lacayo Feels He Is a "Politically Confiscated Person"

Lacayo said, "Moises Hassan has caused me to disappear and believes in his Sandinist revolutionary mind that he has already killed me or jailed me politically. The truth is that people such as Moises Hassan and Miriam Arguello withheld from me the right to be elected. Hassan adopted the same attitude he had when he was in power, because he confiscated houses and haciendas when he was member of the government junta."

He Even Carried His Mother-in-Law in His Coat

He even said that once, when his mother-in-law was a member of the government junta, he saw in the president's [Violeta Chamorro] home, a month after the JGRN [Junta of the Government of National Reconstruction] came to power, "that members of the JGRN were rubbing their hands because they had just confiscated several farms near Rio San Juan that day."

Before the conclusion of the program, Lacayo continued to insist on the topic and even said the constitutional reforms are "unconstitutional." He also said the deputies are "too ambitious" in the sense that only they can run for reelection without having to resign a year before the elections.

He also, however, refrained from commenting on the fact that the government holds the nation's budget, the Army, and the Armed Forces in its hands, which are powers the legislators do not have.

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Government Unable To Resolve Property Problem

The Chamorro Government's inability to resolve the property problem was explained by Mrs. Carmen Flores, who said she has U.S. citizenship. She said that for the past five years she has been demanding compensation for Claim No. 4117 filed at the Attorney General's Office on 17 January 1990. The case has been registered as no. 1538 at the OCI [Confiscations Quantification Office] since 17 December 1990.

Lacayo took advantage of questions such as these to call deputies "blackmailers" for not approving the Telcor [Nicaraguan Telecommunications and Postal Services Institute] privatization law while the constitutional amendments are not approved. He went to the extreme of comparing the National Assembly to hijackers who take over a plane full of passengers.

When Danilo Lacayo asked him, "Do you think the National Assembly hijacked the country?" Antonio Lacayo answered: "The Telcor law has not been approved yet, and millions of dollars are being lost. There cannot be just compensation as long as Telcor is not privatized, because that is where the money for the compensations is going to come from."

"He meant the Assembly has to necessarily approve Telcor's privatization," a television viewer said, after asking, "Who blackmails whom?"

Panama

President Orders Minister To Remove Public Force Bill From Agenda

PA1007170195 Panama City LA PRENSA in Spanish 10 Jul 95 p A-1

[Report by Ibeth Vega G.]

[FBIS Translated Text] President Ernesto Perez Balladares has ordered Government and Justice Minister Raul Montenegro to remove the draft of the Public Force bill from the legislative agenda. He assured that the only objective of the initiative that will be submitted to the Legislative Assembly is to make the National Police professional, adding there is no will to go back to a situation to which Panamanians refuse to return.

The president said last week he was unaware of the draft of the Public Force bill that Minister Montenegro and his working team were preparing.

Meanwhile, Institutional Security Director Jerry Wilson has insisted the document "was well planned," even by political parties.

Perez Balladares explained that he ordered Montenegro to remove the draft of the Public Force bill from the legislative agenda. This draft will not be submitted to the legislative branch during the upcoming regular sessions. "I ordered the government and justice minister to remove this issue (Public Force) from the agenda for several reasons," the president said.

He said he is unaware of the draft of the bill Minister Montenegro was preparing, a draft around which many theories opposing it were being woven.

"I believe that the issue has gotten off the track a little bit and that there has been much apprehension, especially in the media, about the name of the force, whether the police director will be a colonel or a lieutenant colonel or a commissioner or a subcommissioner, and whether a policeman or a professional of the Armed Forces will head the police," President Perez Balladares affirmed.

"I am not criticizing this position, however, because that is the media's role. This position has triggered a debate on a proposal that does not exist," he stressed, adding "I believe it would be better if we continue to debate the issue for a longer period of time so that there are enough opinions and criteria prior to our proposing a deal to society. I believe we need to make this proposal, but now is not the time to do it."

The head of state said that any consultations between the government and justice minister on a Public Force draft bill will be ignored "because we will promote talks to start forming a national concept little by little."

He said there is no imperative need to discuss the bill, which will not be submitted in the next legislature. "There are no preconceptions, let alone the desire to return to what we had before (military dictatorships), which, unfortunately, cost us a great deal," the president added.

According to him, the government and justice minister has more pressing issues — such as the demarcation of the many Indian reservations — to occupy his time.

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Argentina

Visiting Presidents Laud Menem's Inauguration Speech

PY1007190395 Buenos Aires TELAM in Spanish 1719 GMT 8 Jul 95

[FBIS Translated Text] Buenos Aires, 8 Jul (TELAM) — The Latin American presidents invited to [Argentine President] Carlos Menem's inauguration have agreed on emphasizing the significance of the speech delivered by the Argentine president in Congress.

In the opinion of Brazilian President Fernando Cardoso, the Argentine president's speech "was excellent because it touched on fundamental and increasingly significant issues and significantly emphasized the social aspect."

Cardoso told TELAM: "He touched on issues such as employment, women, youth, and health. In other words, Menem really is a statesman. He is not happy with having achieved economic stability alone, but wants to achieve more, and this is very good."

Cardoso noted that the Mercosur [Common Market of the South] "is a fact and is becoming increasingly stronger." He said: "It represents a fundamental framework for us and for Argentina. The Mercosur will be a fact and a fundamental framework for Latin America."

Cesar Gaviria, a former Colombian president and current OAS secretary general, noted: "Menem not only has delivered a message for Argentines, but for all the Latin American nations."

In response to a question posed by our news agency, Gaviria emphasized: "Menem's figure transcends the Argentine presidency, and the entire international community undoubtedly was very happy upon hearing your president's charismatic words."

Uruguayan President Julio Maria Sanguinetti noted that this "is the second time in this century that there is a third democratic term of office, a fact that must be emphasized."

The Uruguayan president pointed out: "This represents an uninterrupted line, a line of change and transformations. This line will now be strengthened, which is not important for Argentina alone, but for the entire region."

Chilean President Eduardo Frei noted: "I am very happy to participate in this democratic ceremony. I am very committed to the concepts of growth, development, justice, equity, and integration, which are the most important ones."

Frei told TELAM: "I believe this strengthens democracy in Latin America. This has been a trend in our region during the past few years, and we will continue to work for this trend to remain a daily reality."

Peruvian President Alberto Fujimori pointed out that President Menem "has been able to establish the goals that are of interest to the Argentine nation." "I believe these goals are common for Latin America as a whole, especially the goal of having an economy at the service of man," Fujimori said.

In remarks to TELAM after the ceremony in Congress, President Fujimori said: "I believe his speech propels Argentina towards progress."

Ecuadoran President Discusses Border Conflict

PY1007163095 Buenos Aires TELAM in Spanish 1545 GMT 10 Jul 95

[FBIS Translated Text] Buenos Aires, 10 Jul (TELAM) — Ecuadoran President Sixto Duran-Ballen today expressed his willingness to find a solution to the border conflict with Peru over a zone under dispute in Cordillera del Condor.

The Ecuadoran president indicated: "I am willing to find a solution within the limits of justice and recognition of a geographic reality."

In remarks made shortly before returning to his country from the Jorge Newbery Metropolitan Airport, Duran-Ballen said: "We hope that henceforth we will be able to achieve an agreement, either under my administration or under subsequent administrations."

Duran-Ballen, who participated in President Carlos Menem's official inauguration ceremonies, presented protocol respects to his Peruvian counterpart, Alberto Fujimori, during a dinner that the Argentine president hosted on 8 July at the Olivos Residence.

The Ecuadoran president noted that, during his visit to Argentina, "I spoke on various occasions with President Menem and we discussed the border problem involving the Republic of Peru."

Duran-Ballen pointed out that "we discussed the details of a demilitarization process" on the Peruvian border "that has been proposed to us." He added: "It would be inadvisable to disclose those details."

The Ecuadoran president indicated: "Through President Menem, there was a rapprochement with President Fujimori. We shook hands." Duran-Ballen said "I believe the two countries appreciate" these efforts at rapprochement.

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Bolivia

Similarities Between Zamora, Lozada Governments Viewed

95SM0375B La Paz HOY in Spanish 30 May 95 p 6

[Commentary by Javier Palza Medina in 'Changing Times' Column: "Coincidences Between Goni and Jaime"]

[FBIS Translated Text] The governments headed by Jaime Paz Zamora and Gonzalo [Goni] Sanchez de Lozada present notable similarities, despite the fact that Goni, the MNR [Nationalist Revolutionary Movement], and—in particular—their ally the MBL [Free Bolivia Movement] wish that were not the case and would have sold their souls to anyone to prevent it.

For the purpose of differentiating themselves, they both initiated a reform of the Executive Branch that sought to create a public image of efficiency and austerity—something that the AP [Patriotic Alliance] administration did not have. Today, however, some government officials are having to compare themselves with the previous administration in an attempt to show that they are not really as inefficient as they appear to be.

Four years ago the MIR [Movement of the Revolutionary Left] people were viewed as frivolous, and today you can find many of the MNR and MBL people and many Katarists exploiting their political power just as those who had been the object of their criticism had done. We are already seeing how it is possible to go dancing and have a good time, no matter if it is at a "narcotics party."

It was Paz Zamora's lot to be the first president to travel continuously abroad. That brought him wholesale criticism—the kind of criticism that has disappeared as if by magic since Goni took over the government.

The former president used to be criticized for arriving at the presidential palace a little late in the morning and for taking regular trips to the Picacho, where he sometimes prolonged his stay into the work week. Although it is true that Sanchez de Lozada does not go to Cochabamba as often as Jaime went to Tarija, our current president habitually arrives very much later at his offices on Murillo Plaza and on not a few occasions has failed to show up at all.

The similarities are more noteworthy, however. Both men have projected the image of presidents who are isolated, solitary prisoners in the presidential palace to whom their closest associates tell "short stories" about what is going on in real life.

The inability of government to communicate is a headache for Goni, as it was for Jaime, and in their desperation they managed to destroy their image of "excellent" communicators. They have had the same difficulty finding people to manage that area for them, and perhaps an equal ineptitude in evaluating their associates.

Jaime considered "Fufi" Saavedra to be his best cabinet minister, and Goni had to transfer "Zorro" [The Fox] Sanchez Berzain to that post [Ministry of the Presidency] so that he could begin to shine. More similarities: both ministers took office following scandals that had caused the departure of their predecessors.

You could doubtless continue adding to the list of resemblances and similarities between the administrations of Paz Zamora and Sanchez de Lozada. What is certain is that Goni's administration, and his own personal style, bear a strong resemblance to Jaime's—so much so that it should cause some people to lose sleep.

New Peasant Party's Goals, Leadership Discussed

95SM0375A La Paz PRESENCIA in Spanish 30 May 95 p 6

[Article by Ramiro Ramirez S.: "Coca Growers Launch New Attempt to Contend for Power"]

[FBIS Translated Text] In the democratic history of the past decade, one of the social sectors that has fought to construct its own political instrument for establishing its identity and organizational maturity has been the agricultural sector.

Progressive elements in the peasant community made several attempts to construct an instrument that would enable it to take power, which is the fundamental justification for a political party's existence.

Even before the creation of the General Trade Union Confederation of Peasant Workers of Bolivia [CSUTCB-1979]—which was regarded by many as an instrument of political power—peasant worker leaders had made attempts to build an organization that would enable them legally and authentically to take power, or at least to have access to decision-making levels that had always been denied to social sectors such as the peasant sector.

The recently announced creation of the Assembly for the Sovereignty of the People (ASP)—which was promoted by the coca growers, among others—seeks to unite the most neglected sectors of the population, according to the peasant leader Alejo Veliz, who explained that this political instrument was created by the same indigenous organizations of the people and is outside the traditional practices and actions of the traditional political parties.

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Since the reopening of the democratic process in 1977-78, the political scene has been inundated by hundreds of political acronym-logos and small political groups that failed to coagulate into a social movement, with a few exceptions such as CONDEPA [Conscience of the Fatherland] and UCS [Solidarity Civic Union].

Road to Identity

From the rural world, the first peasant leader of Aymara origin who dared to run for president of the Republic was Luciano Tapia, who in 1978 represented Mitka [Tupac Katari Indian Movement]—a logo that subsequently gave rise to a variety of Indianist groups that claimed to speak for the "Indian nations, which have been exploited and subjugated for five centuries."

The concept underlying this type of Indian movement was that it was necessary to leave the traditional political structures and create an authentic instrument that would express the interests of the movement.

Mitka subsequently contracted a disease that is typical of the traditional political parties and as a consequence underwent a schism a little more than a year after its creation. In 1980 Mitka-1 was formed by Constantino Lima, and the process of organizing the peasant sector's own political force found its highest expression in the person of the peasant leader Jenaro Flores, who following his impressive appearance before the General Trade Union Confederation of Peasant Workers of Bolivia (CSUTCB) decided that he too would fight for power through the medium of the Tupac Katari Revolutionary Movement of Liberation (MRTKL), the successor to the MRTK. Controversy within the MRTKL leadership caused the movement to participate in the 1985 national elections as two factions: the MRTKL with Jenaro Flores, and the MRTK with Macabeo Chila.

As a consequence of this search for leaders and movements of its own, the peasant sector—which was viewed by the traditional parties as a mass of people useful for elections—failed to construct a movement of its own, and its leaders were weakened by a personal rivalry influenced in part by an ideological and political struggle that was devoid of any significance.

In the elections of 1989, Jenaro Flores accordingly found himself stripped of his MRTKL logo and displaced toward a new group that called itself the United Katarist Liberation Front (Fulka). The logo MRTKL remained the property of Victor Hugo Cardenas, who until that moment had been a Katarist deputy and today is vice president of the Republic in the co-government with the Nationalist Revolutionary Movement (MNR).

That was the extent of the efforts by the peasant sector, and many Indianist, nativist, Katarist, and Tupac-Katarist organizations are floating around at the present time and have left a bitter taste of frustration among the oppressed majority whom they claimed to represent.

The native organizations—ranging from the sectarianism of Indianism (whose most radical faction suffers from a phobia where the "K'istas" are concerned) to the multiculturalism and multilingualism that made Katarism and its variants fashionable (with the result that the MRTKL wound up backing the MNR)—failed to construct their instrument of power.

Assembly for the Sovereignty of the People

Following the experiments that took place in response to the *wiphala* [meaning not given] raised by the United Confederation of Peasants, there was a resurgence of hope among the proponents of a political instrument for the Indian nations, by name the Assembly for the Sovereignty of the People (ASP).

Alejo Veliz declared that the social base of this embryonic political organization is the native organizations of the people, which in recent years sponsored three historic marches that stirred the entire nation—the March for Life, of the miners; the march for Land and Dignity, of the native populations; and the most recent march—staged by the coca growers—for Dignity and Sovereignty.

According to Veliz, this new political instrument should unite the civic, intellectual, and labor movements that are identified with the nation's interests, dignity, and sovereignty.

With the intention of participating in the December municipal elections, the ASP has collected more than 13,000 signatures, which will be used to qualify for the elections.

Peasant meetings in La Paz, Cochabamba, and Potosi—and the tropical coca federations—have already defined the organic and political bases of this future new instrument, which according to its founders has refused to accept the artificial division between workers and Indians, alleging that they are two sides of the same coin.

Veliz declared in this connection that accepting this dual condition of the workers is what gives this new movement its true strength and revolutionary vigor. He said the enthusiasm demonstrated by those involved in the new effort reflects this particular moment in the rise of these popular sectors, which—following the failure of the left—found themselves without a clear reference point and facing the growing unpopularity of the traditional political movements.

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Box, p 6

Assembly for the Sovereignty of the People

Following the unsuccessful presentation made before the National Electoral Court (CNE) by the new political party—the Assembly for the Sovereignty of the People (ASP)—the ASP's advisers were scheduled to return tomorrow to present the documents that are required to qualify it as a party and be recognized as such.

The leaders of the so-called "party of the coca growers" presented 30 registration books signed by a total of 13,000 persons; a memorial; and its organizational charter, declaration of principles, and by-laws—all of which, according to the peasant leaders, were agreed to by all the departmental and regional federations affiliated with the General Trade Union Confederation of Peasant Workers of Bolivia (CSUTCB).

Because of an error in closing its membership rolls, the party sponsored by the coca growers was unable to obtain registration with the CNE, the nation's highest electoral court. It has reportedly collected a broadly based 13,000 signatures and is scheduled to present the corresponding documentation bearing the signature of a notary public.

Reynaldo Irigoyen, secretary to the CNE, explained that it was not a question of rejecting the new organization but of issuing legal opinions concerning the registration books that the organization had presented in applying for legal standing.

Within 30 days from the date of the proper presentation of all the documentation, the members of the CNE will issue the corresponding analysis either approving or rejecting the petition for the legal standing that would qualify the ASP as a political party.

This new group is led by Alejo Veliz, an executive of the Federation of the United Peasant Workers of Cochabamba; Guido Tarqui; Gabriel Carranza; and Francisco Quisbert.

An "Activist From the Rank and File"

The leader of the five federations of coca growers in the tropical zone, Evo Morales, said that as an activist from the rank and file he will press forward with the organizational effort in preparation for participation in the December municipal elections.

In his turn, the peasant leader Alejo Veliz expressed confidence that the ASP will be recognized by the CNE. He said that the only way to confront the "aggressiveness" of the existing system is to organize a political party to defend the exploited residents of the rural and urban areas.

Corruption Cases Denounced by MBL Summarized

95SM0374A La Paz PRESENCIA (REPORTAJES SECTION) in Spanish 21 May 95 pp 8-10

[Article by Zulema Hinojosa R.]

[FBIS Translated Text] After completing its task of governing, the Movement of the Revolutionary Left (MIR) reappeared on the public stage in connection with serious charges of corruption that include involvement in the narcotics traffic, the arms traffic, and the counterfeiting of documents.

Not only the MIR is involved, however, but also its former partner in the government, the ADN [Nationalist Democratic Action]. On 2 March of this year, after having long insisted on the need for punishing these alleged crimes, MBL [Free Bolivia Movement] Deputy Miguel Urioste threw up his hands.

"During these 12 months," he said, "we have encountered absolute indifference—a kind of esprit de corps that keeps members of Parliament from stirring up the hornet's nest." He explained that this situation had made him feel impotent and forced him to withdraw from the investigations.

He warned that the absence of punishment will harm the nation economically by causing a loss of $50 million from international cooperation sources.

Urioste presented a series of items of evidence that associate former minister of education Hedim Cespedes (ADN) with the illegal trafficking in state lands in Chiquitania, but the Bolibras [expansion not given] case has so far been unresolved.

He also brought up the case of the Rural Development Fund, in which MIR Deputy Hugo Lozano is involved, and the Fancesa [Sucre National Cement Plant, Inc.] case, which has compromised former officials of the Chuquisaca Development Corporation.

Based on news items and on Report "R" of the Information and Documentation Center (Cedoin), dated 29 June 1993, REPORTAJES cites the following cases:

1. Narcotics Connections

The accumulation of charges against MIR leaders that involved connections to narcotics defendants such as Issac "Oso" [The Bear] Chavarria and Carnelo "Meco" [Wild Indian] Dominguez led to the arrest of the then head of the MIR, Oscar Eid Franco, on 26 December 1994.

Although the Chamber of Deputies Committee on the Constitution was unable to arrive at a consensus, the

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deputies indicated the need for more intensive investigations. The FELCN [Special Antinarcotics Force] is continuing its attempts to establish that the MIR election campaigns were financed with money from the narcotics traffic and that MIR leaders had covered up the illegal activities of Chavarria and his associates.

2. Chinese Passports

This has to do with the illegal entry of Chinese citizens into Bolivia with the approval of immigration authorities during both the MNR and Patriotic Alliance administrations.

During the Victor Paz Estenssoro administration (MNR, 1985-1989), an investigating committee discovered that a number of Chinese had entered Bolivia illegally with the complicity of three undersecretaries of state, international migration officials, and the Bolivian consul in People's China. The investigation ended with a report but without sanctions.

The administration of Jaime Paz Zamora did not continue the investigation and continued to deal in passports and visas. The Chinese arrived in Bolivia in groups of as many as 50.

According to subsequent investigations, officials of the Undersecretariat for Migration were authorizing entry into Bolivia upon payment of $1,000 in China. Once the immigrants were in Bolivia, the Undersecretariat was charging from $500 to $1,000 for a tourist visa; $1,500 to $5,000 for a two-year permanent [as published] residence; and from $1,000 to $50,000—and more—for citizenship.

On 22 July 1990 P. Federico Aguilo, the representative of the Permanent Assembly of Human Rights in Cochabamba, disclosed that five Chinese had been tortured and blackmailed at Migration Undersecretariat offices in La Paz "by Mr. Jose" and set free upon payment of $3,000. They were subsequently given 10 days to leave the country.

The Labor Ministry confirmed that the Undersecretariat of Migration had granted tourist visas and in less than 24 hours changed them to residence visas of indefinite duration despite the prerequisite three years' residence in Bolivia.

Those implicated included former under secretary for migration Jose Luis Paredes, former departmental director of labor Rafael Sosa Baldivieso, and other government officials.

Although the Labor Ministry established the existence of irregularities supported by numerous items of evidence, no official was brought to trial on these charges.

3. Vietnamese Rice

The municipal authorities of La Paz and El Alto disclosed the importation—by the Peruvian company Mercantil—of 2,000 metric tons (MT) of Vietnamese rice that was in poor condition and unfit for consumption.

Those implicated in the case included—in addition to the Mercantil company—the verifying firms Societe Generale de Surveillance, S.A. [General Inspection Company, Inc.] (SGS) and Inspectorate Griffith, Ltd.; the former under secretaries for Exports, Roberto Camacho; for Agricultural and Livestock Development, Ernesto Penaranda; for Health, Guillermo Cuentas Yanez; and for Commerce, Jorge Paz Navajas; the government officials Maximo Vargas and Jorge Gutierrez; Director General of Customs Edmundo Arauz; and the directors of the La Paz and Cochabamba customs districts.

On 20 February 1992 the Peruvian Mercantil Import and Export [preceding three words in English] company requested authorization to import 2,000 MT of rice.

The Department of Plant Health of the Ministry of Agricultural and Peasant Affairs (MACA)—with the endorsement of the Ministry of Public Health and the Ministry of Industry and Commerce—certified the good quality of the rice and authorized its importation.

The first shipment of 500 MT entered the country following certification of its good quality, origin, and price by the Inspectorate Griffith firm based on the certificate issued by SGS and on its own analysis. Of this initial shipment, 20 tons was distributed to small merchants of the city of El Alto, and the remainder (480 MT) of the rice was purchased by Gino Lafuente, who stored it with General Warehouses, Inc. (AGEDESA) as security for a credit warrant obtained from the financial system.

After several previous attempts, samples of the rice were obtained on 24 August. The testing detected the presence of diplococci and an abundance of bacilliform flora of great mobility. The Public Health Laboratory and Diagnostic Service and the Higher University of San Andres determined that the rice contained aflatoxin B-1 and other elements of powerful biological origin that are considered to be poisonous or toxic and cause various types of cancer and congenital malformations in pregnant women.

Despite these facts, Director General of Customs Edmundo Arauz on 2 September reported that the rice "fulfills the requirements and standards for quality" and authorized the entry into the national market of 382 MT.

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The Director of Urban Health of the municipality, however, ordered the impounding of the rice despite the fact that he did not have jurisdiction in the free-trade zone.

The Office of the District Attorney intervened in the case in January 1993 and ordered the rice to be incinerated. Although the incineration began on 7 April and continued for 45 days, a large quantity of the rice was sold in the markets.

On 21 May the district attorney's office asked the Superior Court to initiate proceedings for "crimes against the public health" against Efrain Cipriano Lima, owner of the Peruvian import and export firm Mercantil; against his partners Walter Tamno Daza, Juan Carlos Arce, Maria Rene Valencia de Arce, and Gino Lafuente, for "conduct subject to the penalties provided in Article 161 of the Penal Code"; and against Patricia G. Iturri and Jose Penaranda Barrios for "nonfulfillment of duties."

The under secretaries and other government officials were indicted, and the facts concerning the participation of the verifying firms—Inspectorate Griffith and SGS—were ordered sent to the Finance Ministry and the Comptroller General of the Republic.

Inspectorate was ordered to pay a small fine, and the indictments have not yet produced any results.

4. Sacks From China

Santa Cruz manufacturers disclosed that the firms Envases Industriales [Industrial Containers], Exim [Export-Import], and Tecnitron (importing firm owned by the Dajbura brothers)—acting with the complicity of the verifying agencies SSI and Bureau Veritas and the dispatching agencies of the Customs Service—engaged in contraband, underinvoicing, and tax fraud in connection with the illegal importation of 2.38 million cotton sacks.

In February 1990 the Bermejo and Guabira sugar mills—acting through the UNDP [UN Development Program]—advertised for bids to supply 650,000 and 600,000 cotton sacks respectively.

The Cochabamba firm Envases Industriales won the bidding by offering the lowest prices. The difference in prices aroused the suspicion that contraband was involved.

The marketing firms Envases Industriales and Exim; the verifying firms SSI and Bureau Veritas; and the dispatching agencies for the Customs Service were accused by the Santa Cruz manufacturers of engaging in contraband, underinvoicing, and tax fraud.

The declared price per unit was $0.032 [as published], which according to the investigations did not even cover the freightage—whereas the cheapest price quoted in China was $0.60 [as published] per sack. This meant that the verifying firms did not take the original invoice from China into account but only the invoice covering the reshipment from Chile. This in turn gave rise to the underinvoicing, whereby the state was defrauded of the sum of $891,425.67.

Also implicated are Colonel Hugo Molina, chief of Customs Police in Cochabamba; Customs Inspector Jaime Eguino; and Director of Customs Hugo Valdivia.

Minister of the Presidency Gustavo Fernandez announced on 2 August 1990 that the government would provide a thoroughgoing political solution and investigate the National Customs Service, and Finance Minister David Blanco promised to institute judicial proceedings against the principal Customs officials. The manufacturers say, however, that because of the political cost to the government this promise was not kept, inasmuch as Director of Customs Hugo Valdivia was a member of the ADN's political committee.

The sacks from China were stored at Customs facilities in Cochabamba and banded. Some textile manufacturers alleged, however, that they were put on the market and sold.

5. Bolibras

Deputies Alberto Murakami and Miguel Urioste alleged on 4 December 1992 that the Peasant Development Fund [FDC] had granted "phantom loans" to private persons who are connected to the government. They accused MIR Deputy Hugo Lozano Simons, former president of the FDC; Jorge Roca Simons, a project evaluation director; Victor Hugo Arana Paz; and Julio Ramirez of falsifying signatures, forgery, and fraud.

Murakami alleged that the FDC had granted loans to the "El Trebol" [Clover] Agricultural and Livestock Association, which although nonexistent was registered in the name of Victor Hugo Arana Paz, who admitted having received a check for $35,000 through the intermediary of Jorge Roca Simons and having paid him $600 "for this small favor."

On 24 March 1993 MBL Deputy Miguel Urioste endorsed Murakami's allegations. He stated that the FDC had granted loans totaling $218,500 to five agricultural and livestock cooperatives that did not exist anywhere in the nation.

The La Paz criminal investigation unit determined that crimes had been committed and that these crimes included the forgery of signatures and the counterfeiting of documents. The case is in the hands of the Superintendency of Banks, and Lozano continues to enjoy good health.

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6. YPFB [Bolivian Government Oil Deposits] — Cochabamba

Among others implicated in this case are Gonzalo Acebey Riglos, superintendent of marketing in Cochabamba; Gualberto Perez, sales manager; Pedro Michel, director of marketing; and Roger Longaric.

The journalist Wilson Garcia of LOS TIEMPOS wrote that a number of irregularities had been committed at the YPFB offices in Cochabamba District.

Between April and June of 1990 Gonzalo Acebey required the distributors of gas to pay 30 centavos for every cylinder of gas sold. He obliged Juan Rodriguez, proprietor of a service station located on the highway to Sacaba, to deliver stubs of his bills so that the bills can be issued at a gasoline pump located in the Jayhuayco zone.

In July 1990 the Superintendency of Marketing of Cochabamba required the distributors of liquefied gas to purchase a shipment of 1,500 used cylinders at $25 per cylinder upon receipt of a commission of $7,500, thereby placing the lives of the users in danger, inasmuch as the cylinders had been marketed as new. Overcharging was alleged in the construction of a service station at the new Cochabamba airport by a construction firm owned by YPFB sales manager Roger Longaric.

The "Pirai Micromarket" of Santa Cruz imported 20,000 cylinders by means of an illegal underinvoicing that made the price appear to be $8 per unit instead of the real price of $25.

The results of the administrative and criminal trials of Rafael Pena are not yet known.

7. Socoserpe-Diesel

Pursuant to an investigation, PRESENCIA reported a number of irregularities in the importation of diesel by the Petroleum Construction and Services Corporation (Socoserpe) from firms whose owners had ties to top leaders of the MIR in Chuquisaca. Contracts were let without public bidding and without participation by the government purchasing agencies that acquire goods and services for the state.

Those implicated are the former general manager of the National Railway Enterprise (ENFE), Hugo Pareja Bonifaz, and Socoserpe representatives Luis Calvimonte Vacaflor, Angel Richard Moreno Jaramillo, and Juan Rojas Guerrero.

On 11 August 1992 Socoserpe signed an annual contract with ENFE to supply 140,000 liters of diesel per week, with a commitment to supply a total of 3.92 million liters by August of 1993.

The ENFE general manager signed the contract unilaterally, without the consent of the board of directors or the participation of the government purchasing agencies.

The ENFE board learned of the contract eight months later and investigated it.

On 2 April 1993 the ENFE board ordered the suspension of General Manager Hugo Pareja and the head of the legal department, Alfonso Vargas, because of possible damage caused to the railway enterprise, which reportedly earned net profits of $254,828 in 1992 and $516,622.86 in 1993.

On 16 May 1993 the Customs Service impounded 54 railroad cars that contained a total of 680,000 liters of diesel with a total value of $1,490,921 The shipment had originated in Arica, Chile.

Socoserpe disclosed that it had been negotiating with the Finance Ministry since March of 1993 to obtain exemption from payment of the GAC [expansion not given] on 5,000 cubic meters of diesel and thereby obtain its release, but it was unable to prove that the diesel was acquired from Argentina, a country with which Bolivia has agreements that exempt petroleum products from the GAC. There have been no concrete results in the case to date.

8. ENFE-Santa Cruz

Labor union leaders reported possible management intrigues as a result of which ENFE was left with a floating debt that increased the deficit of the enterprise by 25 percent in only one year. Those implicated are Regional Manager Jorge Gonzalez and Assistant Manager Jorge Capobianco Ribera.

Gonzalez was surprisingly replaced in August 1990 by a member of the ADN. It was stated in the press that his replacement resulted from the decision to ethicize the operation of the enterprise. Facing the possibility of his own replacement, Capobianco went to the railway workers union to obtain support for his retention in office, but ultimately had to resign. There was no trial.

9. Entel [National Communications Enterprise]-Santa Cruz

From August 1989 to September 1990, Entel Regional Manager Pedro Parada—together with 16 other individuals including Public Relations Officer Jose Luis Vega, who was also receiving a salary as a management consultant, and Entel General Manager Renny Ribera—allegedly embezzled $500,000 from Entel.

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A number of irregularities were discovered, including payment of a total of $70,000 to nonexistent advertising firms over an eight-month period.

The auditor's report disclosed irregularities that were classified as abuse of authority, arbitrary disposal of state property, duplicate purchases bearing surcharges, rigged and fraudulently altered rates, and the hiring of 100 supernumerary employees.

Parada interposed a criminal action against the auditors, accusing them of having demanded $45,000 from him in return for issuing a report that would be favorable to him.

The initial auditor's report put the total amount embezzled at $1 million, which was subsequently reduced by half because the enterprise accepted depositions that were "fabricated and fraudulent."

In August 1991 the Public Prosecutor's Office initiated judicial proceedings against five of the accused and ordered their formal arrest and trial. Eleven others—including Renny Ribera and Jose Luis Vega—were excluded from prosecution for lack of reliable evidence against them.

Ribera resumed his duties, and Parada left office to become adviser to the Guabira smelter. The remainder of those implicated were suspended, but the Departmental Workers Federation (COD) alleged that 24 employees were hired in their place. Nothing came of the judicial proceedings.

10. ENFE-La Paz

MNR leaders in January 1991 alleged that funds were being withdrawn illegally to pay salary advances to 12 government officials, for a total of 796,000 bolivianos.

In July 1991 Condepa [Conscience of the Fatherland] reported other irregularities, including the arbitrary granting of travel allowances; payment of compensation to private providers of services; irregular withdrawals of funds reportedly totaling 749,500 bolivianos; the hiring of more ENFE officials than had previously been dismissed; and nepotism.

ENFE General Manager Rafael Echazu rejected the accusations, asserting that all of these actions had been in accordance with standard practice and that the family members and friends in question were veteran employees.

Condepa declared that during Echazu's tenure ENPA had lost $37.4 million in the form of overpayment for repairs, fraudulent purchases, and irregular payments. For example, $34.8 million was paid for the repair of 19 engiines—an amount sufficient to purchase 19 new locomotives. Irregular withdrawals totaling $208,217 were reportedly made.

A report by the Office of the Comptroller General filed in September 1992 confirmed the instances of improper conduct and classified them as the abuse of authority, nepotism, economic damage, misuse of State property, and the fraudulent administration of funds.

The irregular grants of funds totaled 394,761 bolivianos, but despite this fact Echazu continued as general manager of ENFE.

11. The Fancesa [National Cement Plant] Case

This case involves the improper payment of $1,233,153 by the National Cement Plant (Fancesa) to the Consultation, Audit, and Accountancy Service (CAC) for the renegotiation of foreign debts—a service that was not performed.

The following are implicated in this case: Fancesa General Manager Armando Serrudo and Administrative Manager Wimar Leon. The Committee on Hiring: Armando Serrudo, Marketing Manager Jaime Barron, Marcelo Rivera, and Victor Sanchez). The Fancesa Board of Directors: Jaime Pereira, chairman; Enrique Azurduy Vacaflor, member representing the University; Omar Montalvo, representing the mayor's office; and Victor Navia, representing Cordech [Chuquisaca Development Corporation]. The CAC: Rodolfo Villareal Silva; Gerardo Maldonado; Luis Fernando Martinez; and Rene Carlos Tejada P. Robo [name as published]. Invoices: Javier Fernandez Ugarteche; Antonio Viveros; and Arturo Espinoza del Carpio, an official of Cofinex (Committee on Foreign Financing).

On 3 July 1993 the Office of the Comptroller General of the Republic issued its final report, which concluded that the CAC and the Fancesa Board of Directors bore sole responsibility—both individual and administrative—for a transaction that inflicted economic harm on the state.

12. Pando Forest Development Center

In February 1995 the Office of the Comptroller General of the Republic established that the administration of the former Patriotic Alliance was guilty of irregularities at the Pando Forest Development Center and ordered the center's former officials to account for more than 250.000 bolivianos.

Erick Von Boeck of the UCS [Solidarity Civic Union], who was forest director until September 1994, insisted that he had not granted permission of any kind for the exploitation of timber-yielding trees. An audit established the contrary, however

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The target of the most serious charges appears to be Walter Valenzuela of the MIR, who will have to account for more than 150,000 bolivianos and testify concerning concessions and permits to exploit forests that were issued to numerous lumber companies and private persons.

The lumber companies maintained that they were current with the payment of their taxes and showed receipts for "payments in advance" that permit them to engage in logging until the end of 1995.

13. Sale of Consulates

The principal accused is Gaston Encinas Valverde, former president of the Chamber of Deputies and MIR senator, for having participated in the alleged sale of a consulate in Thailand for $500,000 and the sale of hundreds of passports to Chinese citizens for $25,000 each.

On 21 July 1994 former chancellor Ronald Mac Lean (ADN) disclosed that Deputy Gaston Encinas had recommended the appointment of the consul who was discovered to have engaged in corruption.

On 15 May of this year Encinas said he had "assisted" in the negotiations at the Chancellery for the appointment of George Young as consul in Thailand and that the views of the Chancellery had prevailed.

On 30 January 1994 Gaston Encinas was also accused—together with Morgan Lopez, also of the MIR—of involvement in fertilizer negotiations conducted by the MACA [Ministry of Agricultural and Peasant Affairs]. The source of this disclosure was David Ramos, regional secretary of the Agriculture Ministry.

[Box, p 10]

Article by Ruben Alarcon: "Clean Hands' and the NGO's" [Nongovernmental Organizations]

Jorge Quiroga, former minister of finance and high-ranking official of the Nationalist Democratic Action [ADN] party, charged on 14 May 1993 that the Free Bolivia Movement (MBL) had diverted NGO funds that it administers and used them to finance its election campaign in the media.

Quiroga went on to say that the MBL could not boast of being an honest political party "when it can be proved that funds of the organizations in its charge were used to finance its million-dollar television campaign." He asked the MBL to explain why it had spent three times as much on its election campaign as it had previously estimated, using for that purpose 30 percent of the international aid that the nation had received through the instrumentality of the NGO's.

Quiroga's accusation was supported by Deputy Guido Riveros (MIR), who expressed doubt regarding the MBL's "big lie" to the effect that its campaign had cost $200,000 when in reality it had cost much more than that. "This reflects the failure of the MBL to practice the "clean hands" doctrine that it preaches," he said.

Riveros declared that his accusation was based on the large quantity of MBL political propaganda appearing in the media throughout the country and in the posters pasted up in the cities in quantities rivaling those of the MNR, UCS, or the former Patriotic Alliance.

When REPORTAJES asked him about his accusations, Riveros maintained that the MBL "could not dismiss them" and that the suspicions persist. He stated, however, that he did not want to join in the game of "political flag-waving" involving accusations of corruption such as the MBL is making, because that would amount to participating in a chain of interminable accusations.

To Be or Not To Be

In the face of these accusations, the current president of the MBL, Miguel Urioste, told REPORTAJES las October that his party does not have NGO's but "is proud that its top leadership and members are directors or officials of some NGO's, which are autonomous and are in no way connected to the MBL." "That is true," he added, "in the case of the IPTK [expansion not given], which was founded by Franz Barrios, who is also the founder of the MBL. It is also true in the case of the director of AIPE [expansion not given], Alfonso Camacho, and its previous director Mercedes Urriolagoitia; and it is true in my own case as director of TIERRA." [expansion not given].

A contrary opinion was expressed by Professor Jorge Echazu, who evaluated various theories concerning the role that the NGO's play in our country. In an interview granted to REPORTAJES in October 1994 he said that these theories showed that several NGO's administered by the MBL were subservient to that party and under its almost total control. "The MBL uses slogans to influence the people who are dependent on the ONG's, which it has infiltrated by means of family ties and political networks," he observed.

Other doubts concerning the behavior of some members of the MBL in connection with the money allegedly made when the boliviano was devalued against the dollar during the UDP [Democratic and Popular Unity] days have been brought to light on several occasions by ADN and MIR members of Parliament.

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Daily Publishes List of Pending Corruption Cases

95SM0374B La Paz PRESENCIA (REPORTAJES SECTION) in Spanish 21 May 95 p 12

[Unattributed article: "Goni Has Not Lowered the Boom Yet"]

[FBIS Translated Text] Sanchez de Lozada said he had inherited from the previous Patriotic Alliance administration a large budget deficit and "a country involved in hypercorruption." "What the country wants," he said, "is a fight against corruption and a curb on impunity from prosecution, and this begins within our party and the government. Our top priority is to see that it does not happen to our party...and to really come down hard on anyone engaging in acts of corruption instead of covering up, explaining, and excusing."

After almost two years of his administration, all of the following cases are still pending:

1. The case of the Chinese sacks. 2. The entry of the Vietnamese rice. 3. The phantom loans. 4. The case of Bolibras [expansion not given] and the sale of land. 5. The embezzlement at Cotel [La Paz Telephone Cooperative].

6. The Fancesa [Sucre National Cement Plant, Inc.] case. 7. The Karachipampa case. 8. The Campo 23 de Marzo case. 9. The overpayment of salaries in the La Paz mayor's office. 10. The Huanchaca case.

11. The case of the Vizcacheras. 12. The disappearance of 360 tons of Vietnamese rice. 13. The embezzlement at the Fund for Peasant Development. 14. The Chinese passports. 15. The misappropriation of the Japanese donation to the MACA [Ministry of Agricultural and Peasant Affairs].

16. The embezzlement by the former president of Cordech [Chuquisaca Development Corporation]. 17. The ghost items in the education budget. 18. The case of the narcotics videos. 19. The ghost items in the police budget. 20. The purchase of university degrees in the teaching profession.

21. The declaration of illiquidity at the YPFB [Bolivian Government Oil Deposits]. 22. The ghost items in the FFAA [Armed Forces] budget. 23. The cashing of checks by other than the rightful recipients. 24. The defrauding of Cordepando [Pando Development Corporation] of $50,000 by its former president. 25. The narcotics connections.

26. The Socoserpe [expansion not given] diesel fuel case. 27. The cases of embezzlement in the Customs Service. 28. The purchase of the licentiate degree at the University. 29. The trafficking in arms. 30. The so-called "honor" loans that resulted in the failure of the Bolivian Farm Bank, State Bank, and Mining Bank.

31. The involvement of former Minister Alberto Sainz Klinsky in the irregular sale of a Bolivian ship. 32. The TAB-I case, which involves the former FFAA commander, General Alejandro Camponovo, and the Tab-II case, which involves the former Air Force commander, General Dardo Gomez Garcia. 33. The lease-purchase of the Airbus aircraft. 34. The embezzlement at the AASANA [Auxiliary Air Navigation Services Administration]. 35. The "Sacate Justiniano" case—better known as the case of the "narcoseamen"—which the navy commander Admiral Remberto Barrios says "is closed."

36. The sale of the Bolivian Consulate in Thailand, involving the former president of the Chamber of Deputies and the current senator of the Republic, Gaston Encinas of the MIR [Movement of the Revolutionary Left]. 37. The case of the filling stations, in which Encinas is presumably also involved.

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